THE WORLD UNBALANCED

GUSTAVE LE BON

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The world unbalanced

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By GUSTAVE LE BON

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TO

THE ILLUSTRIOUS

GENERAL CHARLES MANGIN

In the sombre days of Verdun, when your penetrating wisdom and your valour contributed so powerfully to changing the orientation of Destiny, I received from you, my dear General, a photograph with a dedication reminding me that you were my disciple. Since that day you have told me that it was my teaching which guided you in preparing the decisive victory of the 18 *July* 1918 *and during the subsequent operations. The psychologist, having the rare fortune of finding such a pupil to apply his principles, must needs owe him a debt of gratitude.*

This is what I feel in dedicating my book to you.

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INTRODUCTION

THE FACE OF THE WORLD TO-DAY

MODERN civilisations present themselves to us under two aspects which are so dissimilar, so contradictory, that if viewed from a distant planet they would seem to belong to two totally different worlds.

One of these aspects is the realm of science and its applications. Its structures radiate the brilliant illuminations of harmony and pure truth.

The other is the dark domain of political and social life. Its shaky edifices remain enveloped in illusions, errors, and hatreds, and furious struggles frequently lay them low.

This striking contrast between the different domains of the great civilisations is due to the fact that their structural elements do not obey the same laws, and have no common measure.

Social life is governed by needs, sentiments, and instincts bequeathed to us by heredity, which through whole strata of evolution represented the only guides of conduct.

In this domain, progressive evolution remains feeble. The feelings of ambition, jealousy, ferocity, and hatred, which animated our first ancestors, remain unchanged.

During vast periods, whose tedious length is revealed by science, man was but slightly differentiated from that animal world which it was destined some day to transcend so enormously in intellect.

Having remained the equals of animals in the domain of organic life, we are not much beyond them in the domain of sentiment. It is only in the cycle of intelligence that our superiority has become immense. It is owing to this that the continents have been joined and that thought is transmitted from hemisphere to hemisphere with the speed of light.

But the intellect which, in the recesses of our laboratories, arrives at so many discoveries has hitherto exercised but a feeble influence upon social life. It remains under the dominance of impulses which are not governed by reason. The sentiments and the rages of the earliest ages have kept their hold on the souls of the nations, and determine their actions.

We cannot understand events unless we take account of the profound differences which separate mystic and emotional impulses from rational considerations. They explain why individuals of superior intelligence have at all times accepted the most infantile beliefs such as the worship of the Serpent or of Moloch. Millions of human beings are still dominated by the imaginings of illustrious hallucinated founders of religious and political faiths. Even in our days, communistic chimeras have had the power to ruin a gigantic empire and to threaten other countries.

It is also because intellectual development has little influence on the sentiments that we saw in the last war men of high culture set fire to cathedrals, massacre the old people and ravage provinces for the sole lust of destruction.

We do not know what influence reason will one day exercise on the march of history. If its only influence is to provide those emotional and mystical impulses which still threaten the world with more

and more powers of devastation our great civilisations are doomed to share the fate of the great Asiatic Empires whose power did not save them from destruction, and whose last traces are now covered by sand.

Future historians, meditating on the causes of the ruin of modern societies, will then no doubt say that they perished because the sentiments of their defenders did not evolve as rapidly as their intellects.

The complication of social problems which at present disturbs the life of the people is partly due to the difficulty of reconciling opposite interests. In times of peace, the divergences between peoples and between the classes of the same people also exist, but the necessities of life finally bring about a balance of conflicting interests. Harmony is established, or at least a partial harmony.

But such an agreement does not survive great upheavals like that of the Great War. The equilibrium is upset. Freed from old constraints, the conflicting sentiments, beliefs, and interests revive and enter upon a violent struggle.

And that is how, since the beginning of the war, the world has entered upon a phase of instability from which it cannot emerge.

It is all the more unable to emerge because the nations and their masters aim at solving entirely new problems by ancient methods which to-day are no longer applicable.

The sentimental and mystical illusions which gave birth to the war still dominate the peace. They have created the darkness into which Europe is plunged, a darkness which no lighthouse has yet illuminated.

To avoid the menace of the future we must study without passion or illusion those problems which

emerge on all sides and the repercussions which they produce. That is the object of this book.

The Future is indeed within us and is woven by ourselves. Not being fixed, like the Past, it can be transformed by our own efforts. The Reparable of the present soon becomes the Irreparable of the future. The action of Chance, that is to say, of unknown causes, is considerable in the march of events, but it has never yet stopped a nation from deciding its own fate.

BOOK I

THE POLITICAL CHAOS

The King's Librar

CHAPTER I

THE EVOLUTION OF THE IDEAL

I HAVE often, in the course of my books, considered the preponderant place taken by the ideal in the life of peoples. I must, however, return to the subject once more, for the present time shows itself more and more as a struggle between conflicting ideals. The old religious and political ideals, whose power has waned, are indeed faced by new ideals which seek to replace them.

History clearly shows that a people which has no common interests, beliefs or sentiments, is nothing but a dust of individuals without cohesion, without stability, and without force.

The unification which brings a race from barbarity to civilisation is accomplished by the acceptance of a common ideal. The hazards of conquest do not replace it.

Ideals capable of unifying the soul of a people are of various kinds : Catholicism, the worship of Allah, the hope of a Paradise, etc. As a means of operation their efficacy is the same once they have won the hearts of the people.

With an ideal capable of an influence over souls, a people prospers. Its decadence begins when this ideal weakens. The decline of Rome dates from the period when the Romans ceased to venerate their institutions and their gods.

The ideal of every people contains some very

stable elements, patriotism for example, and others which vary from time to time according to the material needs, the interests, and the mentality of each period.

Take France alone during only the last ten centuries. It is obvious that the elements constituting her ideal have often varied. They still continue to vary.

In the Middle Ages, the theological elements predominated, but feudalism, chivalry, and the crusades gave them a special character. The ideal, however, remained in Heaven and was guided by it.

Ideas changed with the Renaissance. The ancient world emerged from oblivion and changed the horizon of thought. Astronomy enlarged it in proving that the Earth, hitherto supposed to be the centre of the universe, is nothing but a heavenly body of the smallest dimensions lost in the immensity of the firmament. The divine ideal continued, no doubt, but it ceased to be unique. Many earthly preoccupations were mingled with it. Art and science sometimes surpassed theology in importance.

Time passes and the ideal swings round again. Kings, whose power was formerly limited by popes and peers, ended by becoming absolute. The seventeenth century is brilliant with the splendour of a monarchy no longer contested by any other power. Unity, order and discipline reign in all parts. The energy formerly spent in political struggles is turned towards literature and the arts, which attain their highest degree of splendour.

The years roll by and the ideal undergoes another change. The absolutism of the seventeenth century is succeeded by the critical spirit of the eighteenth. Everything is questioned. The principle of authority weakens and the old masters of the world lose the

prestige from which they derived their strength. The old governing classes, royalty, nobility, and clergy, are succeeded by another which obtains all authority. The principles which it proclaims, equality above all, spread throughout Europe and turn it into a battlefield for twenty years.

But as the past dies but slowly in the souls of a people the old ideas soon burst forth again. Old and new ideals come into conflict. Restorations and revolutions succeed each other during nearly a whole century.

What was left of the old ideals was being gradually effaced. The catastrophe which recently upheaved the world weakened their hold still more. The gods, obviously powerless to shape the lives of nations, became but half-forgotten shadows.

Shown to be equally powerless, the most ancient monarchies found themselves overthrown by the fury of the people. Once again the collective ideal was changed.

The disappointed peoples seek how to protect themselves. For the dictatorship of gods and kings they try to substitute that of the proletariat.

This ideal is being put forward, unfortunately, at a period when the world, transformed by the progress of science, can no longer advance except under the influence of the *élite*. Formerly, it mattered little to Russia that she did not possess the intellectual abilities of an *élite*. To-day, the mere fact of having lost them has plunged her into an abyss of powerlessness.

One of the difficulties of the present generation results from the fact that no ideal has yet been found which is capable of serving as a bond of union for the majority of minds.

The triumphant democracies seek this necessary ideal but do not find it. Not one of those suggested

has been able to draw together enough adherents to impose itself on the world.

In the universal disorder, the socialist ideal tries to monopolise the management of the people, but ignorant of the fundamental laws of psychology and politics, it hurls itself against obstacles which can no longer be overcome by determination. It will not therefore replace the old ideals.

In a rocky cave overlooking the road to Thebes, in Bœotia, there lived a long time ago, according to the legend, a mysterious being who set riddles for human wisdom to solve and who condemned to death all those who could not guess the answer.

This symbolical story accurately portrays the fateful dilemma—guess or perish—which has so often arisen at critical moments in the history of nations. Never, perhaps, have the great problems determining the destiny of peoples been more difficult than they are to-day.

Although the hour has not yet struck for the putting forward of a new ideal, it is already possible to determine the elements which must enter into its composition, and those which must necessarily be omitted. Several pages of this book will be devoted to this investigation.

CHAPTER II

POLITICAL CONSEQUENCES OF PSYCHOLOGICAL ERRORS

FAILURE in foreseeing imminent events and inexact observation of current events were frequent in the war and in the ensuing peace.

Failures to foresee things occurred at every period of the conflict. Germany did not foresee the entry into the war of England, nor of Italy, nor especially of America. France did not anticipate the defection of Bulgaria or Russia, nor other events.

Nor did England show a greater sagacity. I pointed out elsewhere that, three weeks before the armistice, her Foreign Secretary, having no suspicion of the demoralisation of the German army, said in a speech that the war would last a long while yet.

The difficulty of foreseeing even close events is conceivable, but the difficulties encountered by Governments to know what is happening in countries where they maintain at great cost agents whose business it is to keep them informed is difficult to understand.

The mental blindness of agents of information is no doubt the result of their impotence to discern the general trend among the particular cases open to their observation.

Apart from the serious errors of psychology which cost us the ruin of several Départements,

but which I need not discuss here, several faults, charged with grave consequences, have been committed since the Armistice.

The first of these was the failure to facilitate the dissociation of the different States of the German Empire, a dissociation which set in spontaneously on the morrow of defeat.

Another error was to favour the disintegration of Austria, which in the interests of European peace should have been avoided at all costs.

A less important error, but still a serious one, was to check the importation into France of stocks accumulated by German industry during the war.

Let us examine the mechanism of the consequences resulting from these errors.

The first consequence was fundamental. As I said many times before the conclusion of peace, it would have been a major interest for the world's security to favour the division of Germany into politically separate States, as they were before 1870.

The task was much simplified by the fact that Germany, after her defeat, spontaneously split up into several independent republics.

This separation would not have been at all artificial. It was, on the contrary, unity which was artificial, since Germany consists of different races with a right to autonomy as concerned in the principle of nationality so dear to the Allies.

It took the powerful grip of Prussia and fifty years of school and barracks to weld into a single block those countries which had been apart for ages and which professed very slight sympathy for each other.

Only the advantages of that union could maintain it. When the advantages disappeared, it would

dissolve. And that is just what occurred after defeat.

If that division had been favoured, by granting better times of peace to some of the newly founded republics, the spontaneous dissociation might have been stabilised.

The Allies did not understand this. Perhaps they thought they would obtain greater advantages from the German block than from separate States.

Now it is too late. The German governing powers have profited by the interminable shufflings of the Peace Conference in order painfully to re-establish their unity.

It is now complete. In the new German constitution, the Empire seems subdivided into a number of free and equal States. It is but an appearance. All the results of legislation belong to the Empire. The confederated States are much less autonomous in reality than they were before the war. As they only represent simple provinces of the Empire, they are as little independent as are the French provinces with respect to the central power established in Paris.

The only change in the new German unity is that the hegemony formerly exercised by Prussia has disappeared.

The political error of favouring the disintegration of Austria was even more serious. Austria was indeed a ramshackle Empire, but it possessed traditions and an organisation and that armature which only the centuries can build.

Had there been less illusion and more wisdom the necessity of preserving the Austrian Empire would have been clear to all.

Europe sees now, and will see more and more, what it will cost to dissolve Austria into small States without resources, without a future, and

which are no sooner formed than they enter into mutual conflict.

It was particularly on account of the new conflagrations with which these fragmentary States threatened Europe, that the American Senate refused to accept a League of Nations which might force the United States to intervene among the rivalries of the uncivilisable people of the Balkans.

The disintegration of Austria will have other and graver consequences. One of the first will be, in fact, to enlarge Germany by the territory inhabited by nine or ten million Germans of the old Austrian Empire. Feeling their weakness, they are even now turning to Germany and demanding annexation.

The Allies, of course, oppose this annexation. But how can they hinder it for ever when the Austrians of German race support their claim to annexation by appealing to the very principle of self-determination which has been loudly proclaimed by the Allies ?

Here we see once more, as we do so often in history, the danger of false ideas. The principle of nationality, which is supposed to replace that of the balance of power, seems very just from the rational point of view, but it becomes erroneous immediately when we see men swayed by sentiments, passions, and beliefs rather than by reason.

How can we apply this illusory principle in countries where from province to province and from village to village there are populations of different races, languages, and religions, separated by age-long hatreds, whose only ideal is to massacre each other ?

The third mistake enumerated above, that of having prevented in every way the introduction into France of the German industrial products

accumulated during the war, is one of those which have most contributed to the establishment of high prices.

That prohibition did not, of course, result from the decisions of the Peace Conference but solely from the action of the French Government, which was the only one to make this blunder. Wiser than our own, the American and British Governments opened their doors wide for German goods and profited by their cheapness to fill up their stocks and reduce the cost of living.

To do business preferably with countries whose rate of exchange is favourable is such an evident and elementary economic advantage that one cannot conceive of a statesman failing to understand it.

The mistaken reason for the prohibition of imports, or, what comes to the same thing, our prohibitive import duties, was to favour some manufacturers who were actually unable to produce one-tenth of the objects needed by France.

To please a few industrialists, the public was forced to buy from British and American merchants, at a price three or four times too high, those products which they bought very cheaply in Germany, and which we could have obtained there ourselves.

The psychological blunders we have examined were committed at the moment of peace. Since that epoch, European statesmen have committed many more.

One of the gravest, because it nearly compromised the security of Europe, was the attitude taken with regard to Poland by the Minister who at that time ruled the destinies of England.

In the hope of conciliating the Russian Communists, that Minister did not hesitate publicly to advise the Poles to accept the absurd conditions

proposed by Russia, notably a disarmament the first consequence of which would have been the pillage of Poland, frightful massacres, and the invasion of Europe.

To display his goodwill towards the Bolshevists, the same Minister prohibited, against all law indeed, the passage through Danzig of munitions destined for Poland, and obtained from Belgium the same prohibition as regarded Antwerp.

The result of this intervention was first of all to provoke among the neutrals—not to mention France—a very vivid indignation. This is what was written about it in the *Journal de Genève :*

> These two acts of hostility against Poland have produced among the admirers of England extraordinary amazement and painful disappointment. To-day, these admirers say that England, thanks to the shedding of French, Belgian, Italian, and Polish as well as English blood, is secure in her island realm, while France, Belgium, and Poland remain exposed in the front line.
>
> Does England believe it to be in conformity with her traditions of sincerity or even with her obvious interest, that her Allies should be exhausted in the struggle to arrest Bolshevism in its westward march without her using all her power and influence to help them ?

The commercial interests which determined the political orientation of the British statesman are easily understood. He did not, however, perceive the consequences which might have resulted from his conduct with regard to the Poles.

If Poland, in accordance with British suggestions, had renounced the struggle, Bolshevism, allied with Islam, which had been so tactlessly dealt with in Turkey, would have become even more dangerous than it is to-day. Had Poland been beaten, the alliance of Bolshevist Russia with Germany would have been certain.

Fortunately for ourselves,—and more so, perhaps,

for England,—our Government had a clearer view of the situation of England.

Though the Polish plight seemed desperate, because the Red army was at the gates of Warsaw, our Premier did not hesitate to assist them not only with munitions but by entrusting Marshal Foch's Chief of Staff with the direction of the Polish armies. Thanks to the influence of that general, the Poles, who were always retreating without troubling to fight, took courage, and a few able manœuvres transformed their persistent defeat into a brilliant victory.

The consequences followed at once: Poland delivered, Germany's hopes disappointed, Bolshevism rolled back, and Asia freed from the worst menace.

To obtain these results it sufficed to see clearly and act quickly. We cannot too highly praise our governors for having exhibited qualities which had for some time become rare among them.

European politics live on ancient ideas corresponding to needs which no longer exist. The modern notion of the interdependence of nations and the demonstration of the uselessness of conquests have no influence on the conduct of the diplomatists. They remain sure that a nation can enrich itself by ruining the commerce of another nation, and that the ideal of any country must be to expand by conquest.

These well-worn conceptions seem shocking to nations unmoved by our prejudices and atavistic passions.

A Brazilian paper expressed its astonishment in the following words which clearly express the ideas of the New World:

> All the nations of the Old World, whatever they are, have an antiquated conception of the world and of life. What do

they want? To take. What do they see at the end of a war? An occasion to grab as much as they can. It is the old idea, the Past of many centuries acting among the ruling spirits and the masses, even among the socialist and working classes, where ideas are confused and appetites exasperated simply by class egoism.

European statesmen often speak present-day language but behave according to old-world ideas. England loudly proclaims the principle of nationality, but seizes or tries to seize Egypt, Persia, the German colonies, Mesopotamia, etc. The new little republics founded from the splinters of ancient empires also profess grand principles, but are equally anxious to grow at the expense of their neighbours.

Peace will not be established in Europe until the anarchy created by psychological errors ceases to dominate people's minds. It often requires many, many years to bring home to a people the dangers of its illusions.

The war having upset the doctrines which guided the chiefs of the army as well as those of the statesmen, an uncertain empiricism remains their sole guide.

This mental state was placed clearly in evidence in a speech delivered by a Premier before the French Parliament. He said: "We have waged the war empirically, and made the peace empirically, because it could not be otherwise. As for economic doctrines, nobody here has any."

Empiricism necessarily represents the initial period of all sciences, but in their progress they succeed in deriving from experience those general laws which permit them to foresee the course of phenomena and to give up empiricism.

There is no need for empiricism, for instance, for knowing that if a body falls freely in space

its speed at a given moment is proportional to the time of falling and the space fallen through to the square of the time.

Physical laws are so certain that if they do not seem to hold good we are sure that some disturbing factor intervenes, of which we may determine the size. Thus the astronomer Leverrier, finding that a certain heavenly body did not seem to obey the laws of attraction rigorously, concluded that its movement must be disturbed by an unknown planet. From the perturbation observed, the position of the disturbing planet was calculated, and the latter was soon found in the place indicated.

Psychology and political economy, like all natural phenomena, are subject to immutable laws, but we know but few of these, and those which we do know are subject to so many perturbations that even the most certain laws may be doubted, though numberless facts support them.

It is evident that the European Governments had neither during the war nor after the peace any fixed rule of conduct. Their forgetfulness of certain economic and psychological laws does not impair the existence of those laws. And they often fall victims to their own lack of knowledge.

CHAPTER III

THE PROFESSORS' PEACE

TO the psychological errors enumerated above we must add the illusions presiding over the drafting of the Peace Treaty. Their importance will appear in the course of this chapter.

Few men in the course of history possessed a power equal to that of President Wilson when, landing in Europe, he dictated the conditions of peace. During the culminating period of his power the representative of the New World remained enveloped in a prestige which Gods and Kings did not always attain to the same degree.

According to his marvellous promises, a new light was about to shine on the Universe. To nations who had emerged from an inferno and were fearing to be plunged back into it, the dawn of an eternal peace seemed to be breaking. An age of fraternity would replace the era of carnage and devastation.

Those vast hopes did not endure long. Reality soon proved that the treaties so painfully elaborated had no result but to precipitate Europe into anarchy and the East into a series of inevitable wars. Nearly all the small States created by cutting up ancient monarchies soon invaded their neighbours, and for many months no intervention of the Great Powers succeeded in calming their fury.

Of the various causes which brought those great

hopes to naught, one of the most fatal was a misconstruction of certain fundamental psychological laws which, from the earliest ages, have directed the life of nations.

President Wilson was the only personage strong enough to impose the cutting up of Europe under conditions which, as somebody put it, made common sense howl. We now know that he was not their sole author.

The revelations of the American Ambassador Elkus, published by *Le Matin*, have shown that the various clauses of the Treaty were drafted by a small phalanx of professors.

When President Wilson confided to Colonel House the mission of choosing the future delegates he stipulated: "I only want University professors."

In vain did the Colonel remind him that America possessed great ambassadors, the world's greatest industrialists, and statesmen with a profound experience of Europe. "I want none but professors," repeated the President.

It was therefore a platoon of professors which manned the commissions. "Studying texts and not souls they consulted great abstract principles and closed their eyes to facts." Thus the peace became what Ambassador Elkus called a "professors' peace." It showed once more to what extent doctrinaires full of science but unacquainted with the realities of the world may be devoid of common sense, and therefore dangerous.

The Peace Treaty consisted in reality of two parts:

(1) Creation of new States, mainly at the expense of Austria and Turkey.

(2) Constitution of a League of Nations, designed to maintain perpetual peace.

As regards the creation of new States at the expense of Austria and Turkey, experience soon

showed, as I have already indicated, what such a step would amount to. Its first results were to establish ruin, anarchy, and war in those countries. It was then seen how chimerical was the idea of refashioning centuries of history by means of decrees. It was a mad enterprise to cut up old empires into separate provinces without considering their possibility of existence. None of these new countries, divided by a divergence of interests and racial hatreds, possessed any economic stability, and so they were bound to come into conflict.

The tiny Austria of to-day is a product of the great political illusion which led the master of the Conference to disintegrate one of the world's oldest monarchies.

What can the Allies do when Austria, reduced to the depth of misery, finds she can only live by uniting with Germany? It is only then that the authors of the Treaty will realise the blunder committed in destroying the useful and inoffensive block constituted by the old Austria.

What vanity to try and rebuild by a scrap of paper the European edifice slowly built up by a thousand years of history! Mr. Morgenthau, the American Ambassador, recently gave the following description of the small States manufactured by the Peace Conference:

> What a picture is presented by Central Europe to-day! Here we have a dust of small republics without real physical forces, without industries, without armies, which have everything to create, seeking to extend their territories without knowing whether they have sufficient force to administer them and control them. And there, on the other hand, we see a compact State of seventy million people who know the value of discipline, who know that they failed by a few inches to impose their domination upon the entire world, who have forgotten none of their hopes, and will forget none of their hatreds.

England respected the utopias of President Wilson and received solid realities in exchange for her tolerance. Gaining immense territories, which made her the greatest beneficiary of the war, she had no interest in opposing those parts of the Treaty which did not concern her.

In her isolation, France had to give way to all the exigencies of the Wilsonian ideas, which were the more exacting for being ostensibly based upon pure reason.

The manifest error committed by President Wilson and his crew of professors was just their belief in the sovereign power of Reason over the destinies of nations. All history should have taught them, on the other hand, that sentiments and passions are the real guides of human groups and that rational influences produce an almost negligible effect upon them.

Politics, or the art of guiding men, demands methods quite different from those which the professors employed. They must always rest upon the basis that sentiments are governed by sentiments and not by reasonable arguments.

The constitution of the League of Nations, though distinct from the Peace Treaty, is yet intimately linked with it. Its object was, indeed, to maintain that peace.

It begun with a striking set-back, the refusal of the American Senate to have anything to do with President Wilson's creation.

Though inclined to idealism, the directing powers of America yet maintain a clear view of realities and professional discourses do not affect them greatly. Mr. Wilson's successor put the reasons for their refusal in the following terms :

The only covenant we accept is the covenant of our conscience. It is preferable to a written contract which fetters

our freedom of action and gives away our rights into the hands of a foreign alliance. No world assembly, no military alliance will ever force the sons of this Republic to go to war. The supreme sacrifice of their life can never be asked of them except for America and the defence of her honour. That is a sanctity of right which we shall never delegate to anyone.

We shall have more to say of the League of Nations. Based upon data contrary to all psychological principles, it has only justified American opinion by showing its uselessness and its impotence. It required indeed a prodigious dose of illusions to imagine that a great country like the United States would consent to submit to the orders of a small group of foreigners without power or prestige. It would have amounted to the recognition of a sort of super-Government in Europe whose decisions would have controlled the world.

CHAPTER IV

THE AWAKENING OF ISLAM

THE series of psychological errors to which we have devoted several chapters is not ended. We shall have to examine others.

For centuries British policy has been directed towards the one end of increasing English domination at the expense of various rivals, first Spain, and then France, who endeavoured to oppose that extension. It has successively deprived them of India, Canada, Egypt, etc. The last of her great rivals, Germany, having gone down, England has been able to possess herself of all German colonies.

This is not the place to examine the qualities of character and principles which have led to such persistent success, we need only remark that, occupied exclusively with utilitarian ends, English statesmen profess an absolute contempt of idealism and always endeavour to adapt their policy to the necessities of the moment. They sometimes make mistakes, but do not hesitate to repair their blunders by modifying their line of conduct, without worrying about *amour-propre* and about the criticisms provoked by such oscillations.

A recent example of profound importance for the future of the East, shows what rapid and radical veerings English policy is capable of.

After hard fighting in Mesopotamia, which showed that an army of 70,000 men was insufficient to

overcome the resistance of the natives, England suddenly abandoned an expedition as costly and unproductive as our own expedition to Syria. Withdrawing her troops, she replaced them by a native sovereign, the Emir Feysul, whom we had to expel from Damascus on account of his persistent hostility.

The apparent object of this solution was indicated in a speech in the House of Commons : " To establish, with ancient Baghdad as a capital, a Moslem State which may revive the ancient glory of the Arabian race."

The installation of a declared enemy near our Syrian frontiers was obviously not a move directed by friendship for France. But in British policy utility has always been put before friendship, and no notice was taken of the observations of the French Government.

The new sovereign was installed at Baghdad with great pomp, and, as an exceptional privilege, the King of England sent him a letter of warm congratulation.

This thinly disguised annexation of one of the world's countries richest in oil figures among the numerous gains with which British diplomacy has, since the end of the war, endowed England.

English soldiers have been replaced by engineers who exploit the country for the benefit of Great Britain.

The new King of Iraq will not only rule over Baghdad, but also over the old sites of Niniveh and Babylon, a territory as large as England and formerly celebrated for its fertility.

This brilliant operation would, if the English protectorate had succeeded in imposing itself on the whole East, have had more important results even than merely commercial benefits. The most

obvious benefit would have been to give England an overland route to Persia and India. If then she had succeeded in conquering Constantinople, either directly or through the Greeks, British domination of the East would have been complete and its hegemony, which our pale diplomatists resisted so feebly, would have weighed the more heavily upon the world.

England had thus very ably repaired some of the faults committed in the East, but other psychological blunders, irreparable this time, have occurred to ruin her power in the East for a long time. To sustain the contradictory aspirations of the Mahomedans in Mesopotamia, the Jews in Palestine, and the Greeks in Turkey constituted a Machiavellian policy from which Machiavelli himself might have shrunk. The illustrious Florentine knew very well that it is imprudent to interfere with the Gods or their representatives.

The English completely forgot that principle when they tried to dismember Turkey and destroy at Constantinople the power of the Sultan, who is considered by all Mahomedans as the " commander of the Faithful " and the representative of God on earth. Immediate consequences resulted. From the Bosphorus through Egypt to the Ganges the Mahomedan world revolted.

Since the English politicians did not understand the great influence of Islam upon the mind in the East, it is useful to summarise its origin and development.

New gods are not rare in history. Their usual fate was to perish with the political power of the nations who saw them arise.

By rare good fortune the fate of Islam has been different. It not only survived the fall of the

immense Empire created by its founders, but the number of its adherents has constantly increased. From Morocco to the ends of China, 250 million human beings obey its laws. There are at the present day seventy million Mahomedans in India, thirty million in China, twenty million in Turkey, ten million in Egypt, and so on.

The creation of the Arab empire, which the English pretend to revive to their own profit by imposing on Baghdad a caliph of their own choosing, is one of the most wonderful adventures of history. So marvellous, indeed, was it that great writers like Renan did not succeed in understanding it and always contested the originality of the civilisation to which it gave rise.

This foundation of the Arab empire which I shall sketch in a few lines will always remain intelligible to those who are convinced that the rational logic attributed to History takes no account of the immense reservoir of mystical forces in which so many great events originate.

At the beginning of the seventh century of our era there lived at Mecca an obscure camel driver of the name of Mahomet. When he was about forty years of age he had visions in which the angel Gabriel dictated to him the principles of the religion which was destined to shake the world.

One can understand that the countrymen of the new prophet, who at that time professed a rather vague polytheism without profound convictions, should easily adopt a new religion, which was also very simple, because it only declared that there was but one God and that Mahomet was His prophet.

It is more difficult to understand the lightning speed with which that faith spread throughout the world then known, and how its adherents

found in it the necessary power to found an empire greater than Alexander the Great's.

Driven from Syria, of which they thought themselves the permanent masters, the Romans were amazed to see wandering tribes, electrified by the ardent faith which united them, conquer in a few years Persia, Egypt, Northern Africa and part of India.

The vast Empire thus built up maintained itself for several centuries. It was not an ephemeral creation like those of the various Asiatic conquerors, such as Attila, because it gave birth to an entirely new civilisation of a dazzling brilliancy, while Western Europe was plunged in barbarism.

In a very short time, the Arabs succeeded in erecting monuments of such originality that the most untrained eye can recognise them at first sight.

The Arab Empire was too vast to escape disintegration. It split up into small kingdoms which became feeble and were conquered by various peoples, Mongols, Turks, and the rest.

But the Mahomedan religion and civilisation were so strong that all the conquerors of the ancient Arab kingdoms adopted the religion, the arts, and often the language of the conquered. Thus it was that India, for instance, though subdued by the Mongols, continued to cover itself with Mahomedan monuments.

And not only did the Arab religion survive the disappearance of their political power, but so far from being extinguished it continues to spread. The faith of its adherents remains so intense that each of them is an apostle and spreads his faith as such.

The great political strength of Mahomedanism lay in imparting to its various races that com-

munity of thought which has always been one of the strongest means of welding together people of different races.

Present-day events have shown the power of such a link. We have seen that it may drive back the formidable might of England in the East.

The British governing powers did not know the power of Islam when they dreamt of driving the Mahomedans out of Turkey. They did not suspect it until they saw not only the Turks, but the Mahomedans of the whole world, arising against them.

The English, who had thought to keep Constantinople, where they had already installed a Commissioner who bore himself as a master, then discovered the greatness of their illusion. They felt it particularly when the Turks, defeated and almost unarmed, refused the peace they were offered, and drove the Greeks from Smyrna. To-day Islam has become strong enough again to defy Europe.

CHAPTER V

EUROPE'S MISUNDERSTANDING OF MAHOMEDAN MENTALITY

THE awakening of Islam which I have just summarised profoundly astonished Europe. The Mahomedan mentality is generally so little understood that it will be useful to devote a few pages to it.

The East has always charmed its visitors. It always lured me in my youth, so that after travelling over it, I wrote a book called *La Civilisation des Arabes*.[1]

In spite of many requests, I have never consented to its republication since its revision would have been too laborious. If I mention it here it is only to show that the author of the present work is not altogether incompetent in Eastern questions.

As regards modern Mahomedans, the heirs of the Arabs, I sometimes found myself, before the war, in contact with them over Turkish and Arabian

[1] This work was published very luxuriously by Messrs. Didot, who spent over 100,000 francs on it. The French edition is long out of print, and when it happens to be on the market by the sale of a private library it commands fantastic prices. Its translation into Arabic serves the teaching of hundreds of students in the Mosque El Azhar in Cairo, a veritable Mahomedan University. It was translated into Hindustani by one of the Ministers of the Nizam of Hyderabad.

translations [1] of some of my books. A few months before hostilities commenced, the Grand Vizier and Ottoman Foreign Minister, Saïd Halim Pasha, asked me through the Paris Ambassador to go to Constantinople to deliver some lectures on political philosophy.

I have always regretted that reasons of health prevented me from accepting that proposal, as I was sure—and my opinion was shared by my eminent friend Isvolski, then Russian Ambassador at Paris—that it was not impossible to keep Turkey neutral. Even after the struggle had begun it would have been sufficient, as was admitted afterwards by a British Minister in Parliament, if an admiral had been bold enough to follow the *Goeben* and *Breslau* when they steamed into Constantinople. That was a case where the value of a man could have been reckoned in billions, for Turkish neutrality would have undoubtedly shortened the war by two years. Nelson at one time was such a man for England. How many arise in a century ?

" It is difficult to know thyself," says an ancient proverb. It is even more difficult to know the beings who surround us. It is almost impossible to determine the mentality and its reactions in given circumstances, of a people whose past and whose beliefs are different from ours. It is at all events the sort of knowledge that most modern statesmen lack to an extraordinary extent.

The events of the last ten years fully justify that assertion.

If the Germans lost the war, it is because not one of their leading men was clever enough to guess

[1] The best Arabian translations are those of Fathy Pasha, then Minister of Justice in Cairo, and the Turkish ones those made by Dr. Djevdet Bey.

the possible reactions of Belgium, England, and America to certain acts, the consequences of which a sufficiently clear mind should have foreseen.

The Lausanne Congress furnishes another example of total lack of comprehension towards the soul of a people.

This lack of comprehension is the more surprising since France and England constitute, through their colonies, great Mahomedan powers. Frequent dealings with Mahomedans should have enabled them to know better.

The first Lausanne Congress, and also the second, proved that they did not comprehend anything. The lack of comprehension was as great as it would have been if the barons of Charlemagne and the professors of a modern law school had met in conference.

A total lack of success, which could have been foreseen, resulted from this lack of comprehension. A discussion which should have taken only a few hours took many months.

Nobody talked of either the Crescent or the Cross at these conferences. Yet it was the struggle between those two symbols which was the heart of the disagreement.

We have on a previous occasion shown how, by its misunderstanding of Islam, the British Empire lost Persia, Mesopotamia, and Egypt, and saw India threatened. An ardent Presbyterian, the British Minister, Mr. Lloyd George, the true author of these disasters, thought to punish the Crescent by expelling the Turks from Europe through a Greek attack on Constantinople. He encountered a mystic faith as strong as his own and the whole colonial power of England was shaken by the encounter.

The ways of unifying the interests and sentiments of a dust of human beings to make a nation are not numerous. They may be reduced to three: The will of a leader; respect for the law; and a strong religious faith.

All the great Asiatic empires originated in the will of a chieftain, notably the Moghul Empire. They lasted as long as did the capacities of the chieftain and his successors.

Those founded on an accepted religion were more stable. So long as the religious code subsists its unifying influence continues.

This action of a religious faith becomes in rare cases strong enough to unite different races and give them a common mind which generates identical wills.

For the disciples of the Koran the civil code and the religious code, so completely separated in the text, are identical.

In the eyes of the Musulman, all power comes from Allah and must be respected, whatever its result, because it is the will of Allah.

In permitting the Turks to drive the infidels from Smyrna it was clear that Allah accorded his protection to his followers. This protection seemed to manifest itself even more clearly at Lausanne, because the European delegates could not prevail against the Ottoman delegates.

The Allies gave way, indeed, on all important points. Had they understood the Moslem soul they would have known that he would only give way to force. The necessity of coming to an understanding in order to impose the will of Europe on fundamental points would then have been obvious, and peace in the East, which is threatened to-day, would have been established for a long time.

On the other hand, one cannot deny the justice

of certain Moslem claims. Since their civilisation was certainly well worth that of the other Balkan peoples, Serbians, Bulgarians, etc., they had the right to be masters in their own capital, Constantinople, in spite of British designs. But they had no right to repudiate their debts, notably the many milliards lent by France. On this point, as on many others, the demands of the Turkish delegates at Lausanne went beyond all bounds. Their tone was often that of conquerors to the conquered.

Thanks to the poor psychology of the Western delegates, European prestige in the East is destroyed for a long time. But prestige was always the most solid basis of a people's power.

The Turkish excuse, besides the religious motives explained above, is the undeniable injustice of England towards them in her intention to expel them from Europe and especially from Constantinople through the intermediary of the Greeks.

The only reason given for this expulsion was the habit attributed to the Turks of constant massacres of their Christian subjects. It has been justly said that if the Turks had committed the tenth part of the massacres of which the British Government has accused them, there would have been no Christians in the East for a long time already. The truth is that all the Balkan people of every race and faith are much given to massacre. I had occasion to say that to M. Venizelos himself. To kill off your opponent is the only figure of speech admitted in the Balkans.

This method, by the way, only took on large dimensions when British policy made the provinces formerly subject to Turkey independent. We know with what fury Bulgarians, Serbs, Greeks, etc., rushed at each other as soon as they were

delivered from the peaceful bonds with which the Turkish régime controlled their violence.

The feebleness of the Allies at Lausanne will have many evil consequences. Among the documents which foreshadow these I may quote a letter full of judicious observations written by one of our best military chiefs in Syria :

> From the political and military point of view I believe we shall have an eventful year. One cannot deal with the Turks unless one can make them feel that one is the stronger, force being the only argument which counts with them. Now at Lausanne they were allowed to put on the airs of conquerors. The result is that they are defiant and think the world trembles before them. The Angora people openly claim Alexandretta, Antioch, and Aleppo, although these regions were recognised as belonging to Syria in the last Franco-Turkish agreement and are inhabited by Arabs. Although the Turks are in a minority there they want to regain possession. We may expect the same events as in Cilicia : no official war, but more and more active bands, composed of so-called inhabitants insurgent against French domination, but in reality disguised Turkish regulars commanded by Turkish or German officers. These bands will attack small posts and convoys, and will cut roads and railways. They will become more and more numerous, they will even have guns, and will involve us in a painful and difficult guerilla warfare, in which the Turks hope to gain the desired result, which is to disgust the Syrians with the French and the French with Syria.

For a philosopher this new attitude of the Mahomedans is full of instruction. It shows once more the extent to which the mystic forces which have always ruled the world rule it still.

Civilised Europe, which thought it had finished with religious struggles, finds itself, on the contrary, threatened by them more than ever.

It is not only against Islam but against socialism and communism, the new religions, that civilisations will have to fight. The hour of peace and rest seems a long way off.

CHAPTER VI

THE PROBLEM OF ALSACE

OUR list of psychological blunders is not completed. We shall see their pernicious effects in Alsace.

The critical matter of the war was the possession of Alsace. It had become a symbol, a banner. If Germany had retained it, her hegemony would have been definitely established.

None of the questions raised by the world conflict has given rise to so much discussion as that of Alsace.

Germany's whole agreement reduced itself to the assertion that Alsace was a German country, inhabited by a German race, or at least a race long Germanised. Alsace must therefore, in the name of the very principle of nationality emphasised by the Allies, form part of the German realm.

Reduced to this principle, the problem appears very simple. If Alsace is a German country peopled by Germans or a Germanised race, the German contention is justified. But it would not be justified if scientific proofs are given (1) That Alsace has been occupied for many centuries by a Celtic race; (2) that in spite of all conquests it always maintained its independence and its institutions up to the time when it went under a French protectorate to escape the perpetual German menace.

These fundamental facts are a little confused in works on Alsace. Finding that sentimental arguments have a preponderant place, I asked the learned historian Battifol to write for the *Bibliothèque de Philosophie Scientifique*, which I am editing, a work, written on modern lines, on *The Old Alsatian Republics*, and I shall borrow the most important documents in this chapter from his work.

Let us enquire (1) whether the Alsatian populations belong to a German race; (2) whether, not being German, they were finally Germanised in the course of centuries.

The least doubtful of the characteristics which permit us to classify the human races is, after the colour of their skin, the shape of their head. Nobody denies that a white man, a negro, and a yellow man belong to different races. And nobody claims that a brachycephalic race, with almost spherical heads, has any affinity with a dolichocephalic or long-headed race.

The Germans themselves consider this feature so important that they always appeal to dolichocephaly to justify their claim to be a superior race destined to dominate the world.

Now from researches made by the most renowned of German anthropologists on Alsatian skulls from burial grounds belonging to every epoch of the last two thousand years it follows that the Alsatian people are among the most brachycephalic in the world.

The persistence of this brachycephaly through the ages shows that the Alsatian race has never been modified by crossings. The permanence of this character led Dr. Bayer to conclude that "all crossing with strangers must have been severely forbidden by matrimonial laws or by prejudices stronger than laws."

Even after Alsace had been attached to the German Empire the purity of race remained. The proportion of dolichocephalic skulls did not reach 2 per cent.

Instead of being less brachycephalic than its forebears, contemporary Alsace is more so. Its cephalic index is identical with that of the people of Lower Brittany.

Psychological data confirm these anatomical data. The Alsatian character shows many Celtic characteristics, notably the love of liberty and an antipathy to foreigners.

So far from belonging to a German race, therefore, the Alsatians constitute, according to the testimony of the German *savants* themselves, a race having no affinity with the Germanic populations.

But, while remaining a special race, the Alsatians might have been Germanised and might thus have justified German claims.

History will deal with this aspect of the problem.

Enclosed between the Rhine and the Vosges, Alsace was long considered to be almost impenetrable. The Rhine with its many branches, with a torrential rainfall, and few and very variable fords, constituted with the Vosges a complete obstacle to invasion. Those rough mountains, barely traversed by valleys, allowed no passage except to the north and the south, by the gap of Belfort and by the saddle of Saverne (Zabern). To go round Alsace was much easier than to pass through it.

This geographical disposition is one of the principal causes which for long assured the independence of Alsace and maintained its racial purity and the continuity of its political and social institutions.

Another cause contributed to conserve the individuality of Alsace. The wealth and variety of its products enabled it to dispense with the help of its neighbours for centuries. It retained an agricultural population of stable and traditional customs, with a touch of distrust, and a local patriotism limited to each city and not tending towards a political centre. And so it remained divided into independent cities of which Strassburg is the type.

The continuity of anatomical and psychological character of the Alsatians extracts all the validity from the assertions of some German historians who assure us that Alsace was peopled originally by Teutonic tribes, the Triboci. Tacitus and Cæsar indeed clearly deny that assertion. In their time Alsace had been inhabited for a long time by a Celtic race, the Sequani.

The primitive race which occupied Alsace at unknown prehistoric periods has therefore perpetuated itself through the ages, as we have seen, without change of characteristics, in spite of the action of very different peoples who conquered them.

The whole history of Alsace shows efforts to eliminate foreign influences.

During the Roman occupation that was easy. Rome respected its independence and interfered neither with its institutions nor its liberties. The phases of the Roman domination and the French domination of the seventeenth and eighteenth centuries were, for the Alsatians, the happiest in their history.

The flood of great invasions barely touched Alsace. Flowing either through Bâle and Belfort or through Belgium, in order to avoid geographical obstacles, it left Alsace almost intact.

Clovis incorporated it in his kingdom by his

victory over Syagrius in 485 at Soissons, but it did not suffer by that. Linked at first with the fate of Roman Gaul, it remained attached to the destiny of France until about the eleventh century, and manifested as much sympathy for France as aversion from the Germans.

When, under the successors of Charlemagne, the Germans sought to possess themselves of Alsace, a period of struggles set in which is very instructive for the understanding of our problem, for it shows how deep-seated and constant was the resistance offered by the Alsatians to Germanic influences.

The Treaty of Verdun, in 843, did not give Alsace to Germany, but created a buffer state ruled by Lothaire, a grandson of Charlemagne. It was only in 855 that the German emperor Ludwig incorporated Alsace with Germany.

Neither Alsace nor France accepted that act of violence. For a century and a half the Alsatians ceaselessly called to France for help. But, forced to defend themselves against the Normans at the other end of their kingdom, our kings were forced to abandon Alsace, after having reconquered it several times.

In 979, Alsace could be regarded as definitely attached to Germany. That date marks the beginning of repeated struggles and permanent insecurity. It was conquered but unsubdued. The sequel of its history proves this clearly.

The rivalries of the German emperors having covered the land with ruins, the Alsatians succeeded in defending themselves by founding fortified cities which prospered more and more, and transformed themselves in the thirteenth century into small independent republics. The emperors favoured their development, indeed, to counterbalance the power of the nobles and declared several of them

"Imperial Cities," which were directly under their authority.

Such a vague and distant dependence meant a real independence for the new republics, particularly Strassburg. They framed their own constitutions on the Roman model. The chief authority was vested in sheriffs corresponding to the Roman consuls. Their chief duty was to prevent German inroads.

Each self-governing city, as I have pointed out, formed a small republic exercising royal privileges, coining money, legislating for itself, and attached to the Empire by nothing but a purely honorary link.

These republics enlisted troops, sent ambassadors, and contracted alliances without any authority from the emperor. Like the Swiss cantons, they sometimes united to repel invasions, especially those of Charles the Bold. In 1354, the German emperor, Charles IV, sanctioned the famous union of ten Alsatian cities called the Decapolis, which brought unity to Alsace under a nominal German protectorate.

Alsace never missed an occasion of proving its independence, whether by a refusal to pay the imperial tax; or by refusing to admit to its cities sovereigns not recognised by them; or by entering into alliances. Thus in 1492 Alsace refused point-blank to march with the emperor Maximilian against France.

The Alsatian republics always showed themselves to be thoroughly democratic. They repeatedly expelled the nobles or forced them, if they wished to vote, to declare themselves bourgeois. That is always the mark of an independence which cannot bear any yoke, either political or social.

The presence of strangers, even of simple work-

men, was always unwelcome to the Alsatians. When the development of industry forced them to tolerate them, they formed a class apart, which paid a special tax. The Alsatian city of the Middle Ages remained as impenetrable to all foreign influence as did the Greek cities of antiquity.

Alsace gave a favourable reception to the Reformation, which suited its independent spirit, but that choice gave rise to prolonged conflicts with the German sovereigns. In order to escape these, the Alsatians turned to France, for which since the Roman epoch their sympathies had been so strong that the German emperors constantly reproached them for their French proclivities.

Under the ministry of Richelieu that sympathy became an alliance. But the kings of France had no intention of annexing Alsace, notwithstanding the German allegation that Alsace was torn away by violence. It was of their own accord, and by the consent of the people, that the Alsatian republics one by one swore allegiance to France in return for protection till the conclusion of general peace.

When, after the extension of the French protectorate over several Alsatian cities, the whole of Alsace except Strassburg requested Louis XIII to extend his protection over the whole country, Richelieu at first opposed this and only consented after repeated steps taken by the Alsatians.

The French protectorate left the country a great deal of independence. The Alsatian towns kept their liberty of conscience and their institutions. Nothing was changed. A small French garrison kept by the king assured the safety of the towns.

At the Peace of Westphalia, which brought the Thirty Years' War to a close, the French protectorate which had been only provisional was transformed into a definite annexation. In 1648,

Germany ceded Alsace to the King of France in full sovereignty, with the exception of Strassburg.

Having escaped from German absolutism, Alsace had a moment of anxiety with regard to the absolutism of the French monarchy. Its uneasiness did not last long. The country kept all its liberties, especially its liberty of conscience. Respecting the treaties,[1] Louis XIV, despite the ardour of his faith, never dreamt of imposing the revocation of the Edict of Nantes, though over half the Alsatians were Catholics.

No taxes were imposed. The French customs barrier did not extend over Alsace. The king's representatives simply set themselves to unify the administration of justice and finance and gave the country peace, order and security. It prospered so greatly that the population, reduced by a third through the war, was soon doubled.

The same liberal policy was continued under the successors of Louis XIV.

Progressively and willingly the Alsatian soul absorbed French civilisation as it had previously absorbed Roman civilisation. Our ideas and acts directed its moral evolution and linked it more and more closely to the great mother country.

The Germans themselves, notably Goethe, admitted that at the end of the eighteenth century Alsace was completely French.

The Revolution succeeded in fusing its particularism into an ardent national patriotism. We all know the enthusiasm of the Alsatian volunteers of 1792 and how Strassburg, the famous city so long self-contained in its policy, intoned the first French national hymn, the symbol of the new aspirations of the nations.

[1] Article 47 of the Treaty of Münster (1648) and Article 5, par. 25, of the Treaty of Osnabrück.

Until 1871, Alsace had no more particular history. Its history was that of France, of which it was one of the most devoted provinces.

During the fifty years which followed the war of 1871, Germany exercised over Alsace an absolute sway. She could have made herself so agreeable and profitable to the country that the inhabitants might have preferred to remain under the domination of their new masters.

We know that it was not so, and that Alsace had to suffer such intolerable oppression that 250,000 French people preferred quitting the country rather than suffer it. They were replaced by 300,000 Germans who, however, never succeeded in mixing with the rest of the population.

Neither by barracks, nor schools, nor institutions did Germany succeed in Germanising Alsace. Her lack of success in modern times was as complete as it had been in the past. It is therefore impossible to claim that she made Alsace into a German territory.

We know with what enthusiasm the Alsatians celebrated their return to France. The German régime had become odious to them, not on account of German institutions, some of which were excellent, but on account of the hardness and brutality of the agents who applied them. Through their inability to understand the character of other races, the Germans have, according to their own confession, always aroused the hatred of the people they ruled, even where their economic action rendered incontestable services.

It was only in religious matters, so important to Alsace, that German domination did not show itself to be oppressive. Hoping to win the people through the influence of the clergy, the Germans

considerably increased the salaries of the priests and respected the Concordate regulating their relations with Rome.

History had taught them that it is not safe to meddle with the religious beliefs of a people.

Victorious France did not at first act with the same wisdom. While the Commission appointed on the conclusion of peace to define the religious status of Alsace-Lorraine required an impartial person at its head, one of the most notoriously intolerant Freemasons, the President of the masonic lodge of the Grand Orient, was made its chief.

Catholic Alsatians were naturally indignant at such a choice. The passages from the speeches of the Freemason quoted by them left no doubt concerning his opinions.

To the Alsatians who consider it essential that their children receive religious instruction and are taken to church by their teachers, the uncompromising chairman of the Commission declared that it was necessary "to free the schools from the denominations and the human brain from illusions and lies." "Neither God nor Master" was his formula.

Such intolerable conceptions are manifestations of the terrible Jacobin spirit which, in politics as in religion, has cost France so dear.

The Jacobin, who believes himself the storehouse of pure truth, seeks to impose it by force as soon as he is given the power. The gods whom he worships in the masonic temples are the only true gods and he will not tolerate any others. The possessor of striking certitudes, he will not have them denied and considers it his duty to extirpate error. Hence the savage intolerance which dominates him.

After some months of trial, it was recognised that the Jacobin spirit cannot be applied to Alsace.

It was already rather late. It was on the very day of the signature of peace that Alsace should have been protected against the Jacobin mentality by confiding Alsatian administration to Alsatians. It is hardly necessary to explain why. The Alsatian intends to remain Alsatian. He wishes to see his religious faith, his schools, and his customs respected.

If we do not wish Alsace to regret parting from Germany, France must send administrators entirely free from the Jacobin spirit.

CHAPTER VII

THE PRESENT FINANCIAL SITUATION. WHO WILL PAY THE COST OF THE WAR?

THE present instability of the world has its sole origin in psychological blunders. There have also been a number of economic and juridical illusions.

Right and justice represent human creations which are unknown to Nature. It is, indeed, because she ignores them that she has made progress.

Natural law operates with the regularity of mechanism. We protest against her vigour when her laws oppose our sentiments, but our protests are in vain.

No epoch has been so overshadowed by economic necessities as ours. But never have the nations rebelled so much against them.

To-day Europe sees a violent conflict between economic necessities and the sentiments of right and justice which oppose those laws.

The problem of reparations is the origin of this conflict. According to our ideas of right and justice, the Germans must make good their devastations. But the economic laws which rule the interdependence of nations are so powerful that not only are complete reparations almost impossible, but the cost entailed, instead of falling upon the

vanquished, would not only strike the victors but also neutral foreigners.

Some brief explanations will justify these assertions.

Let us remark at once that the following explanations apply to the present state of Germany, but not to its state before the Armistice.

It is said that after hearing Marshal Foch expounding the conditions of the Armistice, one of the German delegates timidly asked what sum Germany would have to pay. The generalissimo was obliged to confess that his Government had given him no instructions on that subject.

We know now that, fearing the capitulations of her army and the entry of Allied troops into Berlin, Germany was prepared for considerable payments, and would have obtained the money from the industrials whose fortune had not suffered or by a foreign loan. That loan would have been easily subscribed, for although the Germans were in military defeat, their commercial credit was unshaken. In the course of the Peace Conference she offered 100 milliards.

When that period passed, the Germans bethought themselves of means to evade payments. By a process of inflation they almost entirely annulled the value of their bank-notes and thus rendered all payment impossible.

In one of his speeches, our Minister of Finance, M. de Lasteyrie, thus sketched the present situation :

> For four years Germany has only sought to gain time and to break up the entente between the Allies. Not at any moment has she intended to pay us.
>
> Even while she professed inability to pay, she found milliards for developing her economic machinery, recreating her merchant fleet, building canals and railways, and developing and beautifying her towns.

At the end of last year she asked for a moratorium of several years without offering the least pledge to the Allies in return. If we should have had the folly to agree it would have been a veritable disaster for our country. Is there anybody so simple-minded as to believe that, if Germany had found this means of avoiding payment for several years, she would finally, after recovering, have resumed payment ?

If the German plan had succeeded, what would have been the position of our two countries ? Germany, by the failure of the mark, would have repudiated her internal debt. By the failure of reparations, she would have repudiated her foreign debt. Free from the crushing burden of war debts which weighs so heavily on all the other former belligerents, she would have been in an incomparable economic position. In all the world's markets she would have been mistress. By her merciless competition she would have ruined the foreign trade of most of the States and produced a terrible and world-wide unemployment.

During this time France, having met her obligations, and met the crushing burden of reparations, would have found herself under a debt of several milliards. Crushed with taxation, commerce, industry and agriculture would have been paralysed in their attempts to recover. Would that be right ? Would it be justice ?

These truths, so obvious now to everybody, were not very difficult to foresee. But none of the diplomatists guiding our destinies at the Peace Conference saw that Germany, quite solvent at the time of the Armistice on account of the loans she could then easily raise, would afterwards seek to escape from the annuities proposed by diplomatists who were so simple as to imagine that a nation could be forced to pay a considerable annual tribute for forty years.

It was only after fourteen Conferences spreading over four years that these diplomatists began to understand the German policy. It was supported by England, who was not anxious to see German money passing into French hands instead of finding its way into British commercial funds.

Awakened from her illusions, France decided upon the occupation of the Ruhr, but the economic situation of Europe was singularly changed.

The Ruhr occupation, which may perhaps give France security, will hardly give her much of reparations.

Events have taken such a turn that in spite of any pressure exerted by the Allies they seem to have little chance of obtaining any reparations.

To show this we must give some indication of the financial position of several countries.

And firstly, the reparations problem is not the only cause of economic chaos in Europe, as the English assert. Secondly, if the Germans paid their debts, our budget would not for all that recover its old balance as is generally believed.

In a speech in the French Senate on November 5, 1922, Senator Bérenger pointed out that our total debt (national debt 337 milliards ; reparations 132 milliards, etc.) amounted to 475 milliards of francs, and he added :

> If the debit and credit sides are balanced we see that even if Germany met her obligations and foreign governments paid their debts to us, the French State would find itself with a final debit of 475 minus 129, or 346 milliards of paper francs at the present rate of exchange.

What is our financial situation now and in the immediate future ?

It does not seem brilliant, though it is difficult to say to what total our debts amount.

In order to disguise a little the sinister greatness of our expenditure we have a division into an ordinary budget, an extraordinary budget, and a so-called recoverable budget.

The total gives an annual expenditure of about 44 milliards, while taxation only yields half this sum. The deficit is, therefore, formidable. The

annual deficit rapidly increases the amount of our debt.

For details of our expenditure, the Minister of Finance in April 1923 gave the following figures : Credits for arrears of loans have increased tenfold since 1913, passing from 1,355 millions to 13,405 millions, and thus constituting for 1922 a sum in excess of half the total expenditure. " It is to this intangible element that we must attribute the main cause of the increase in the budget."

Military expenditure amounted to 18,185 million in 1919, falling to 7,648 million in 1920, 6,312 in 1921, and to 5,341 million in 1922.

Expenses of civil administration, which in 1920 reached 11,377 million francs, still come to 7,328 million in 1922.

All these figures show that if Germany paid all the sums demanded of her, the annual deficit of our budget would remain terribly high.

It has taken a long time to find out that the much-repeated formula " Germany will pay " with which the most useless expenditure was formerly supposed to be justified, was an illusory hope.

As it has now become clear that even after the Germans had paid all their debts, our budget would still show a deficit, we must needs seek for another cause.

To enhance the yield of our natural wealth and reduce our expenditure is the only possible solution of the problem.

Until that is brought home to all, we must live by expedients. Thanks to the facility of printing bank-notes without a guarantee in coin, expenses are constantly increasing, and Ministers oppose a very feeble resistance to a frenzied course making for irreparable financial catastrophe.

The example of Great Britain, whose budget for 1923 balanced with a surplus of several milliards, thanks particularly to the curtailment of expense by a Government strong enough to impose its will on Parliament, has not yet found any imitators in France.

The British Empire, however, in spite of its prosperity, suffers from the economic anarchy which weighs upon Europe. The foodstuffs which England consumes and the raw materials necessary to her industries come almost exclusively from abroad. She pays for what she buys by the export of manufactured goods. Moreover, whatever may be the method of payment employed, goods are obtained after all is said and done only in exchange for other goods.

Manufactured products—the real money of England—have no useful value unless they can find buyers, and England has lost one of her best customers in Germany. That is why she strives at all costs, even at the cost of France, to restore the economic condition of her old customer.

Meanwhile she seeks other buyers, but as she finds in foreign markets competitors who sell cheaper, she has to reduce her selling prices and consequently her wages, notably those of the miners.

This caused a very costly strike of the miners, which lasted three months. To yield to the miners would have had the fatal result of commercial ruin for the British Empire.

This single example is sufficient to show the strength of certain economic laws and the impossibility of fighting against them.

Never have nations hated each other as they do to-day. If will-power were enough to kill men, Europe would be a desert.

This hatred will last till the very day that public opinion recognises that it is more in men's interests to help each other than to murder each other.

Since before the war, the growth of industries and the trade to which they give rise had made of the European economic system a homogeneous whole, without the various governments knowing how this phenomenon came to pass. Each European State is of vital importance to the other States as a producer or as a market. No European State can be ruined without dragging the others down with it.

At the present time these reflections are general even among the Germans, but during the war they professed very different ideas and concerned themselves very little with the interdependence of peoples when their chief preoccupation, in Belgium and in France, was to destroy the factories and mines whose products were in competition with their own. M. Beyens, formerly Minister for Foreign Affairs in Belgium, recalls that the Baron Bissing, the German Governor of Belgium, did his best entirely to destroy the Belgian industries. "They plundered shamelessly," says he, "the material in our factories to the benefit of their German competitors and they destroyed the metal frame-works throughout."

All the ways devised to induce Germany to pay off her debts lead to this paradoxical result, that it will be France and other countries who will pay the German debt in the end.

In default of the money which she lacks, Germany pays for the foodstuffs and raw materials which she needs by means of manufactured goods and thus acquires resources.

With the surplus of her exports she would have been able to pay her debts. But that would have

led to over-production, and the consequences likely to arise were clearly pointed out by an English Minister in a speech at Manchester. He said :

> If Germany, during the next forty or fifty years, were able to pay her debts, she would, by that very act, make herself mistress of all the markets of the world. She would become the greatest exporting nation ever heard of—practically the only exporting nation on the globe. And if, during the coming period of forty or fifty years, the United States of America were to receive all that is due to them, they would simultaneously be contributing to a marked decrease in their export trade. They would see their people deprived of a large part of its most essential arts and industries. They would see the breaking up of the whole of their national economic system. Germany, the debtor nation, would show an unhealthy activity, and the United States, the creditor, an equally unhealthy stagnation.

These obvious truths are emerging slowly from the chaos of economical blunders in which the world is plunged.

If Germany paid her debt to France by the delivery of goods, in quantities necessarily large in view of the size of the debt, our country would possess such a surplus of German products that our own manufacturers would have to slow down or cease production altogether. Whence would arise general stoppage and impoverishment. Payment in kind therefore means that France would "lose on the roundabouts what she made on the swings."

In order to avoid this too obvious consequence, it was decided to put a tax of 12 per cent. on the German exports for the benefit of the Allies. That meant, naturally, that the selling price of exported goods was augmented 12 per cent. All buyers of German goods, of whatever nationality, therefore paid 12 per cent. more than formerly. It is quite obvious, therefore, that it was not the Germans

but the buyers of all countries who would pay a part of the indemnity destined for reparations.

Another proposal, and perhaps the best one yet put forward, was to force the big German manufacturers to give up a certain number of shares in their factories, a third, for example. But, these shares being already allotted, the German Government would be obliged to indemnify the owners. Thus, as before, the price of manufactured goods would rise, and it would still be the foreign consumer who would contribute to the liquidation of the German debt.

All these incidental facts at first escaped the notice of the public, to say nothing of Governments. They are better understood to-day. Foreign opinion on this subject is clearly expressed in the following extract from a great American paper :

> The addition of a 12 per cent. tax puts a protectionist tariff on all nations who receive German goods. It is a tax on the American consumer for all German exports landed here ; but it goes into the Allied coffers, when Germany has collected it, and not into the treasury of the United States, as would a similar tax imposed by our own fiscal system. The effect of this tax will be to augment prices and diminish exports.

All the foregoing assertions, however unpleasant they may be, deserve consideration. They would furnish the League of Nations with anti-war arguments of a much weightier nature than the vague humanitarian discourses which occupy its sittings.

The repercussions which we have just considered show, indeed, beyond any possibility of dispute, that by reason of the growing interdependence of races, when one nation is beaten, it is the others who have to pay the indemnity which she owes to the victor.

This necessity, created by the economic evolution

of the world, was formerly quite unknown. Then, great races grew rich by their conquests. In the times of the Romans, the sums levied on the defeated formed a considerable part of the budget.

After the second Punic war, according to Ferrero, Carthage deposited with the Romans 55 million francs, an enormous sum for the times. Paulus Æmilius, the conqueror of Persia, was paid, according to Pliny, 57 millions. The defeated were, besides, despoiled of all they possessed. Marcellus, having taken Syracuse, seized all the objects of value which the great city contained.

It is not very long since this heroic age came to an end ; but it is ended for ever. Nations may still fight, for supremacy like Germany, or to protect their homes like the Turks, but henceforth they will be unable to enrich themselves at the expense of the vanquished.

If the League of Nations wanted an inscription to decorate the façade of its palace, I would willingly recommend the following : " *All modern wars are as disastrous for the victor as for the vanquished.*" If the inscription seemed too short it could be lengthened by the addition: "*Henceforth all nations will bear the costs of a war undertaken by any one of them. It is therefore in their own interests to unite for the purpose of preventing fresh conflicts.*"

To tell men to love one another is advice never taken by nations. " Help one another in your own interest " is a maxim which could transform the world if it sank deep into the hearts of men after convincing their minds.

BOOK II

THE SOCIAL CHAOS

CHAPTER I

SOCIAL DISCIPLINE AND THE REVOLUTIONARY SPIRIT

FROM the remote Stone Age, when humanity consisted of wandering tribes, up to the great civilisations of to-day, discipline, that is to say obedience to certain rules, has always formed an indispensable basis for the existence of society. The higher the civilisation the more complicated the rules, and the more necessary becomes their observance.

Too much protected by laws to grasp the benefits they confer, modern man often sees only the annoyances. In his beautiful work, *Les Constantes du Droit*, in which he proves that restraint is the fundamental basis of all social life, the great Belgian lawyer, Edmond Picard, recalls the following passage in Schopenhauer, showing what human society would be without compulsory respect for the law :

> The State has put the rights of every man into the hands of a power infinitely superior to the power of the individual and which forces him to respect the rights of others. In this way are thrown into obscurity the unbounded egotism of all, the wickedness of many and the ferocity of a few. Restraint keeps them in bounds. The result is deceptive. Once let the protective power of the State be evaded or paralysed, as sometimes happens, and the insatiable greed, the falseness, wickedness and treachery of men rush to the surface.

Discipline creates a sort of equilibrium between the instinctive impulses of human nature and social necessities.

Severe measures are necessary to establish it in the first place. But the written law has no force until it is inscribed in the souls of the people.

External discipline imposed by restraint thus becomes an unconscious discipline and is converted into a habit by heredity. Then and only then do penalties become unnecessary and the human soul is stabilised. But this is far from being the case with all nations yet.

Slow to be formed, and at times rather uncertain, social discipline is easily disturbed by great catastrophes. Nations then escape from the restraint of laws and have no other guide than their mere impulses, resembling a ship without a rudder, tossed hither and thither upon the waves.

The fundamental importance of discipline is apparent when it is found that a people only achieves civilisation when discipline is established, and returns to a state of barbarism when it is lost.

It was lack of discipline which, in olden times, brought the citizens of Athens into servitude, and the hour struck for the fall of Rome when, all respect for discipline being destroyed, there existed no other law than the will of ephemeral emperors elected and deposed by the soldiery. Only then could the barbarian invaders triumph.

In a work entitled *Comment meurent les Patries*, M. Camille Jullian shows that the independence of the Gauls was lost in the same way. "Nobody any longer obeyed the law. Justice, finance, everything which makes for social order was constantly set at nought." That is why Cæsar could so easily carry out his conquests.

The whole of Europe is now passing through a

critical phase of indiscipline which cannot be prolonged without causing anarchy and decadence. Old principles, hitherto faithfully observed, have lost their command, and those which might replace them are not yet formed.

If the number of actual rebels is not yet very great, that of the undisciplined is becoming enormous. In families as in schools, in workshops and factories, the authority of the father, master and employer grows less every day. Insubordination is increasing. The inability of masters to enforce obedience is proved everywhere.

This loosening of discipline is accompanied to-day by certain symptoms of moral disintegration, mainly the following: Dislike of any sort of constraint; continued lowering of the prestige of law and government; general hatred of superiority, whether of fortune or intelligence; absence of solidarity between the various social strata, and class struggles; utter contempt for the old ideals of liberty and fraternity; progress of the extremist doctrines preaching the destruction of the established social order, no matter what that order may be; and substitution of autocratic collective powers for old forms of government.

Such symptoms, especially the distaste for constraint and the undisciplined contempt for law, necessarily lead to the development of a revolutionary spirit with its inseparable companions, violence and hatred.

It is clear from the foregoing that the revolutionary spirit represents a mental state rather than a doctrine.

One of the characteristics of the revolutionary is his inability to adapt himself to the established order of things. His tendency to subversiveness results largely from that inability.

Hostile to all organisation, he even rebels against the directing members of his own party as soon as his party is in power. Such occurrences have happened in every revolution in history. The Montagnards were always in arms against the Girondins.

The revolutionary mentality seems to imply a great independence of mind, but the reality is far otherwise. True independence requires a development of intelligence and judgment such as revolutionaries hardly possess. Apparently refractory, they yet feel such a need of being led that they easily submit to the will of their bosses. Thus the most advanced of our own extremists accepted with respectful docility the imperative orders emanating from the grand Bolshevist pontiff who reigns at Moscow.

As a matter of fact, the majority of minds aspire more to obedience than to independence. The revolutionary spirit makes no difference to this need. The rebel is a man who obeys easily but wants a frequent change of masters.

When a country is in the middle of a period of equilibrium, general discipline prevents the revolutionary spirit of the inadaptable from propagating itself by mental contagion. It is only in times of trouble, when moral resistance is enfeebled, that the revolutionary microbe makes its ravages.

All arguments on the danger and uselessness of revolutions are misplaced, because, as I have said, the revolutionary spirit is a state of mind and not a doctrine. The doctrine is only a pretext which serves as a prop to the mental state, and the latter remains even when the doctrine has triumphed.

While the spirit of revolt is spread among the nations, authority weakens. Seeking to follow and satisfy an uncertain public opinion the ruling

powers, who can make themselves less and less heard, give way more and more.

The chiefs of the revolutionary parties, such as syndicalists and " united socialists," are not obeyed any better. We have often seen that strikes, like those of the railwaymen, are started without consulting the wishes of the leaders. Not being able to lead the movement they follow it, so as not to appear abandoned by their followers.

If revolutionary propaganda gains so many adherents in the various countries to-day, it is not because of its theories but on account of the general loosening of mental discipline.

Only the *élites* can succeed in combating the wave of indiscipline which threatens to subvert the civilisations. They will not succeed unless their character rises to the level of their intelligence.

As our University always forgets, and as the Anglo-Saxon Universities always remember, discipline and the qualities which lead a man to success in life are not founded upon intelligence but solely upon character.

CHAPTER II

THE MYSTICAL ELEMENTS IN REVOLUTIONARY ASPIRATIONS

IN looking for the sources of the revolutionary theories which are agitating the world we find under their diverse forms, such as communism, socialism, syndicalism, dictation of the proletariat, etc., a common mystical illusion and identical sentiments.

The mystical illusion, the genesis of which we shall soon study, engenders the conviction that the workman, being better able than the bourgeois to direct the State and industrial enterprises, must take his place, as in Russia.

The sentiments which sustain the new doctrines are, among the leaders, an eager ambition to seize a fruitful power, and among the simple followers a jealous hatred of all superiority.

That hatred of superiority was very typical in Russia and showed itself clearly from the very beginning of the revolution. The intellectuals, whose disappearance reveals their social importance, were as much persecuted and massacred as the capitalists. There are innumerable occurrences similar to that observed at the fall of Baku, when the Bolshevists placed at the head of the University a former porter, assisted by illiterate boys and workmen.

Speaking generally, we may say that all the

popular aspirations manifested in Europe represent above all a struggle against the inequalities of intelligence and fortune which nature obstinately persists in creating.

The ideas condensed in the formula : *The dictatorship of the Proletariate*, have become the gospel for masses of workpeople whose vanity is flattered by the title. The power they have acquired by combination and by strikes seems to them a sovereign power before which others must bow down. In a future society the workman alone must be king.

The failure of experiments in popular dictatorship and notably of communism in various countries has not served to disillusion the adherents of these doctrines. This has given rise to some astonishment, but that only proves that the mechanism of popular credulity is not as yet understood. It will therefore be well to recall its genesis.

At first sight, the new doctrines seem to be solely based on very material appetites, since they apparently aim at nothing but despoiling one class to the profit of another.

These dogmas and the communist gospel which codifies it do indeed rest upon material interests, but they owe their chief force to mystical elements identical with those which have dominated the mentality of peoples since the dawn of history.

In spite of all the progress of philosophy, the independence of thought remains an illusion and a fiction. Man is not guided by his needs alone, nor yet his sentiments and passions. A faith or belief is necessary to direct his hopes and dreams. He has never dispensed with that.

The old mysticism has retained all its power. Its manifestations have only changed their form.

Socialist faith tends to replace religious illusions. Derived from the same psychological roots, they tend to propagate by the same methods.

I have already shown at length elsewhere how Mysticism, i.e. the attribution of supernatural powers to superior forces (gods, formulæ, or doctrines), constitutes a predominant factor in History.

It were useless to go over the demonstrations which on a former occasion enabled me to interpret certain great events like the French Revolution and the origin of the late war. I shall only recall the fact that the domination of the mind by mystic forces can alone explain the credulity with which the most chimerical beliefs were reserved throughout the ages.

They are accepted *en bloc* without discussion. In the realms of mysticism where faith arises, the Absurd does not exist.

As soon as, under the influence of elements of persuasion which I shall enumerate later, the faith in a new doctrine invades the understanding it entirely dominates the thought of the person concerned and directs his conduct. His personal interests disappear. He is ready to sacrifice himself for the triumph of his belief.

Being sure of possessing pure Truth, the believer experiences the need for spreading it, and feels an intense hatred towards its detractors.

Since the interpretation of a belief naturally varies according to the mentality which accepts it, schisms and heresies soon abound, without, however, shaking the convictions of the believer. To him they only prove the falsehood of his adversaries.

The defenders of each new sect derived from a main faith soon bear towards each other an aversion as strong as that which they feel towards the deniers of their doctrines. These hatreds between

believers are extremely violent and soon amount to an impulse towards killing their adversaries.

We may glimpse the sentiments animating the defenders of nearly identical doctrines only separated by a shade by reading an account of the opening sitting of a recent Syndicalist Congress at Lille, reported by a contributor to the *Matin*. We read :

> I still have before my eyes the indescribable spectacle of a hall in a fury, resembling an ocean set free which sweeps away everything in its course. I see faces livid with anger, mouths hurling further abuse. My ear is filled with the shouts of the combatants, the cries of the wounded, the exchange of epithets and the reports of revolvers. In all my life I have never seen such an unchaining of hatred.

Of course, it is only the extremists of each doctrine who reach that state of fury. They are recruited among the degenerates, and those of feeble or impulsive minds. Their violence is great, but their personality so vacillating that they feel an imperious need to be guided by a master.

These degenerates represent the most dangerous of the extremists. It was noticed that during the domination of the communists in Hungary, the principal agents of the dictator Bela Kuhn were recruited among Jews having repulsive physical blemishes. The new faith, which made the more eminent citizens perish in hideous tortures, furnished them with an excellent pretext to avenge themselves for the humiliations to which degeneracy condemns its victims.

As soon as a mystic faith, however absurd, is established, it attracts to itself a crowd of greedy adventurers and unemployed semi-intellectuals. With the least defensible doctrines they easily build up social institutions of theoretical perfection.

At a time when civilisation was not very complex, mystical illusions had no very evil consequences. In ancient Egypt the institutions derived from the adoration of the crocodile or of divinities with dogs' heads easily adapted themselves to a very simple local civilisation, where the difficulties of life were slight, and external relations almost non-existent.

It is quite otherwise nowadays. With the progress of industry and closer relations between nations, civilisation becomes extremely complicated. In this edifice, which requires superior technical capacities for its upkeep, the chimerical fancies of dreamers can only engender ruin and carnage.

The need for a mystical faith is the soil on which beliefs germinate. But how do these beliefs establish and propagate themselves ?

No error, and no truth either, for that matter, ever fixes itself in the popular mind by rational demonstration. They are accepted *en bloc* in the form of assertions which cannot be discussed.

Having dealt at length elsewhere with the formation of beliefs, I shall only recall that they are formed under the influence of four fundamental psychological elements : Affirmation, Repetition, Prestige, and Contagion.

In this enumeration Reason has no place, because it has but a very feeble effect upon the genesis of a belief.

Affirmation and repetition are the most powerful factors in persuasion. Affirmation creates opinion, and repetition fixes that opinion and makes it a belief, i.e. an opinion sufficiently stable to be unshakable.

The power of repetition over simple souls—and often on souls which are by no means simple—is

marvellous. Under its influence, the most manifest errors become blazing truths.

Happily for the existence of society, the psychological means capable of transforming error into belief are also available for rendering truth acceptable in the form of faith. The defenders of the old social armour which sustains us forget this too often.

To transform the economic and social truths on which the life of nations is based into beliefs—because they will not otherwise be accepted—the apostles of those truths must resign themselves to the adoption of the only methods of persuasion capable of acting on the popular mind. To the violent and repeated affirmations of error they must oppose affirmations as violent and as often repeated of the truth, particularly by opposing formula to formula.

It is by such methods that the Italian Fascisti stemmed the tide of communism which threatened to submerge the industrial life of their country, and against which the Government admitted itself to be powerless.

Several modern societies recall the epoch of decadence when, denying its gods and abandoning the institutions which had made it great, Rome allowed its civilisation to be destroyed by uncultured barbarians who had no other force than their numbers and the violence of their appetites.

Great civilisations perish as soon as they cease to defend themselves. There are many such already which have disappeared from the world because they were the victims of the indifference and feebleness of their defenders. History does not always repeat itself, but the laws which govern it are eternal.

CHAPTER III

THE SOCIALISATION OF WEALTH

AMONG economic errors which disturb the world at present we have the illusions of socialism. Presented under various forms, all agree on one formula : the socialisation of wealth.

In the course of the world's evolution, the prestige of the gods has sometimes waned, but the magic formulæ have never lost their empire. Man has always been led by them.

Whether they be religious, political, or social, they act in the same way and have the same origin. Their influence does not depend upon the modicum of truth they contain, but solely on the mystic power attributed to them by the crowd.

Communities find themselves to-day threatened with vast upheavals by the new formula : the socialisation of wealth. If we believe its apostles, it should create perfect equality and produce universal felicity.

The magic promise has rapidly spread over the working classes of all countries. Having ruined the economic life of Russia it seems destined to ravage all Europe. America alone has repelled it with energy, foreseeing its ill-omened influence on the prosperity of nations.

It was only in order to obtain the nationalisation dreamt of that the French railwaymen on a first of May attempted to bring about a general strike.

That strike, different from all preceding ones, did not aim at an increase of wages. The Confédération Générale du Travail proved this by declaring that the objective of the movement was not an increase in wages, but solely the desire to impose the nationalisation of the railways.

There was probably not one striker in a thousand capable of saying what constituted the " nationalisation " aimed at or explaining its future working. We may even consider it probable that the rare strikers capable of comprehending something of what they asked for would each have given totally different explanations of nationalisation. To the immense majority nationalisation simply meant that the railways would be run for their profit.

In fact, the strikers followed their bosses simply because they were bosses and without seeking to explain the object of the orders received.

Let us not forget, either, that the most furious religious struggles in history were engaged between people incapable of discerning anything in the theological questions which divided their chiefs. The laws of crowd psychology easily explain that phenomenon.

The vague explanations given by the official defenders of nationalisation were based upon nothing but unproved assertions. Their ablest defender has summarised them as follows :

> The capitalist benefice is opposed to the collective interest. The various industries, especially the railways, must become a collective property directed for the collectivity, not by the State but by an autonomous organisation headed by a council composed of representatives of the collectivity. A central council would regulate the wages and the choice and promotion of the personnel.

It is clear that this alleged socialisation would

simply amount to replacing the present companies by other companies composed of agents of the railways.

But, in order that the employees might gain by this substitution, they must possess capacities superior to those of the engineers and specialists now directing the very complicated service of the railways.

The present administrators, very competent men, work not to enrich some capitalists, as alleged by the socialists, but to give a meagre return to the mass of small shareholders among whom the possession of the railways is divided. The total spoliation of these shareholders by the socialisation of the railways would but slightly raise the present wages of the employees.

The promoters of such movements cannot really have any illusions as to their possible results. They simply hope that the socialisation of the companies would be realised to their profit. If they organise ruinous strikes it is only in order to become masters in turn.

Are the interests of the capitalist really opposed to the common interest? Can it truly be said that, in present-day communities, "work is not done to the profit of everybody, but solely in the interest of a few?"

On the contrary, it is in reality the vast majority of workers who benefit by the ability of the *élite*. It has always been so since the beginning of the modern industrial evolution. It was never the common worker who made the progress by which he profited.

Manual labour and professional skill are, moreover, by no means the principal elements of production and wealth. The spirit of enterprise, invention, and organisation, the courage to take

risks and good judgment are the most important factors.

It is such faculties as these which constitute the capital of a nation. If Russia always made so little profit out of her soil, in spite of its great agricultural and mineral wealth and equally great population, it is because she has always lacked ability.

It is a dangerous illusion to think that the capital of a country is principally composed of mines, lands, buildings, shares and specie. This capital is valueless in itself, for a country deprived of its men of ability would soon be ruined.

At the present time, on account of the ever-increasing strikes and the ill-will of workmen, our capital is being very badly used. Every strike makes the country a little poorer, living a little dearer, and the future a little more uncertain. Only the socialists rejoice in a situation of which they will be, however, like the extremists of all ages, the first victims.

To all the evidence which has been brought on the sources of wealth, socialists and syndicalists, united by a common hatred, simply oppose their assertions. During the last elections, the Socialist Federation of the Seine published the following manifesto :

> In every country two forces are in conflict, put in motion by the birth of the young Socialist Republic of the Soviets : The Proletariate on the one hand. The Bourgeoisie on the other hand. Everywhere Labour rises against Parasitism. Parasitism must be defeated.

It is necessary to point out the rudimentary character of such conceptions. Yet it is by assertions of that kind that the world has often been upset.

The Germans, who, under the influence of their

extremists, were forced to experiment with socialisation, quickly gave it up.

> We are threatened (wrote the *Deutsche Tageszeitung*) with an economic anarchy rivalling the political anarchy, with the difference that the consequences will be even more disastrous. The working classes will realise too late the errors they are committing. Not only are they annihilating the future of Germany and suppressing the sources of her livelihood, but they are destroying what has been hitherto considered the most precious of all goods, her organisation.

The strained relations between the social classes, whose real interest lies in a mutual understanding, are becoming more accentuated. The classes are, however, much more divided by jealousies and hatreds than by interests.

Their divergences are chiefly due to the efforts of the socialist politicians who, in order to acquire power, persist in exciting the passions of the working classes and to incite them to make more and more extravagant claims. They support every strike impartially, believing them to be a stage on the way towards proletarian dictatorship. Capitalistic society is represented as a sort of monster destined soon to be destroyed for the benefit of the proletariate.

These politicians do not worry about the ruins. It is their own dictatorship they want to establish in the guise of a proletarian dictatorship.

If experience were capable of teaching the nations, the attempts at socialisation made in Russia would be regarded as conclusive.

The railways and mines in that country were socialised, and in a few months their disorganisation was such that, in spite of a twelve-hours' working day forced upon the men, the dictators were reduced to buy for gold abroad the capacity they did not possess.

But it is one of the wonderful privileges of faith that it prevents the believer from perceiving the facts which contradict his faith. There is but one known socialist, M. Ehrlich, who, on returning from Russia, resigned from the unified socialist party because he saw it tend more and more towards Bolshevism. In his letter of resignation, this Deputy wrote :

I cannot understand how the unified socialist party, instead of having the courage to repudiate and censure the excesses and crimes of Russian Bolshevism, holds it up as an admirable example to the French working classes.

It is true that the Russian bourgeoisie is ruined. But the whole national industry has gone down with it, to the great detriment of the Russian proletariate, and the great benefit of German industry, which is about to take its place. Bolshevism has only been capable of bringing dearth and famine to that Russia which but yesterday was the granary of a large part of Europe. The so-called methods of the Bolshevik dictatorship leave the worst horrors of the inquisition and of Tsarism far behind. All individual liberty is abolished, and every day hundreds of Russian workmen and intellectuals, whose sole crime is that they do not think like the Bolsheviks, are murdered without trial by Magyar and Chinese mercenaries.

The last elections showed, by the fifty thousand votes given to the Bolshevist Sadoul, what progress Bolshevism has made in the French working classes.

If, in the present or impending struggle which threatens civilisation, the State were to give way, it could only vacate its place in favour of the leaders of the proletariate.

Unfortunately we cannot count upon the energy of the Government. The force of public opinion will be much more effective. During the great French railway strike the public were so exasperated against the disturbers who sacrificed the general interest to their private ambitions that many

traders in the provinces, grocers, bakers, even wine merchants, refused to sell anything to the strikers.

The final result of these conflicts is not yet to be foreseen. We are sure that the nations will always be guided by their *élite*. But the momentary triumph of inferior elements might, as in Russia and Hungary, cause irreparable ruin.

To the bosses of the working classes " the great twilight " seems very near. In reality it is a great night which the realisation of their dreams would spread over the world.

CHAPTER IV

SOCIALISTIC EXPERIMENTS IN DIVERS COUNTRIES

IN matters of religious dogma experience has no effect whatever on the minds of the believers. Their illusions are impregnable.

In matters of political and social belief experience has no more influence on convinced partisans, but it may act upon hesitating minds whose definite convictions are as yet unformed.

One of the characteristics of the present time is the disintegration of the ancient principles upon which communities were founded. The perturbations of every sort created by the war have continued that disintegration and called forth new aspirations in the soul of the people.

The present governing ideas may be grouped into two clearly opposed tendencies: Nationalist conceptions with their aims at hegemony and internationalist conceptions dreaming of establishing universal fraternity.

Nationalism, of which patriotism is a form, is considered by all governments an historical necessity. They believe that the cult of the fatherland was always the force upholding the nation and that its weakening was the beginning of decadence.

Internationalism, which is professed mainly by the working classes, shows the exactly opposite

tendency. Rejecting the idea of a fatherland, it aims at fusing the nations together, without concerning itself with, or even perceiving, the differences of mentality and interests which separate the nations.

At the probably distant epoch when the world will be ruled by pure reason, the latter conception will be perfected, for apart from the vague sentiment which makes the working classes of the various countries fraternise, we have seen that the industrial revolution of the world leads nations to a growing interdependence which obliges them to help instead of destroying each other.

In our days that necessity remains an inactive truth because it conflicts with the sentiments and the passions, the sole actual guides of the conduct of nations.

Modern Governments are therefore faced with the alternative of either favouring internationalism, which represents the future, but leaves the people unarmed, or developing nationalism with all its ruinous armaments necessitated by threatened aggression. This conflict of contradictory ideas condemns statesmen to a hand-to-mouth policy, which cannot consider unknown to-morrows. The crowd, having lost faith in its chiefs, obeys the primitive instincts which always arise when the old armature of society is violently shaken.

The main results of socialistic influence on Parliament in various countries have subjected many industries to a collective governmental management, i.e. a general interference by the State. Experience has demonstrated its ruinous effect in a hundred cases.

If these consequences are identical in all countries and all industries, it is simply due to the fact that collective management destroys the most

powerful psychological springs of human action: personal interest, sense of responsibility, initiative, will-power, in a word, the elements which have generated all progress which has transformed civilisation.

The results of socialist tendencies allow us to forecast those which would follow from the definite triumph of socialism.

Many observers have predicted the catastrophes which the complete triumph of socialism would engender. But the value of those predictions could be contested, since no out-and-out realisation had occurred to test them.

By now such realisations have been attempted by several nations. The results are everywhere identical.

If the experiment had been confined to Russia, it would have been possible to allege that an experiment tried among a semi-civilised people was not conclusive. Only an experiment made by a highly civilised nation could prove anything. Therefore the socialistic experiments which assumed a temporary power in Germany, Hungary and Italy are of considerable practical interest.

On the morrow of her defeat, Germany found herself faced by a period of trouble and groping uncertainty. Since the war had showed her the danger underlying the principles on which her power had rested, she was naturally led to try others.

Socialism offered or rather imposed itself for repairing the evils produced by a militarist monarchy. Having nothing better at hand, Germany gave it a trial.

She then experienced in a few months all the forms of socialism, from Bolshevism with its soviets,

its massacre and pillage, to a diluted socialism which retained only certain formulæ from the original doctrine.

At the moment of the *débâcle* there was first a violent revolution and the sudden subversion of the ancient monarchies which ruled the confederated States of the Empire.

In this first phase, the extremists held the power. The Bolshevist Spartacists ruled for several months, pillaging, murdering, and dominating the country by terror, and finally installing a " dictatorship of the Proletariate," in other words, a dictatorship of some of its bosses.

Councils of workmen, on the model of the Russian soviets, were established everywhere. Naturally, as in Russia, there followed a complete anarchy. The results of this phase of socialism are well put in the following extract from a great German paper :

> The Revolution has compromised the German National patrimony which four years of war had barely touched. Taxes and confiscations have produced an exodus of capital which no police measure could stop. Buildings and factories with their machinery, which could not emigrate, were sold to foreigners at a low price. Englishmen have bought mines in the Ruhr. The National City Bank of New York has opened in Berlin and other larger German cities.

That period did not last, because the communist dictatorship quickly, as in Russia, proved its incompetence.

Another reason, of a psychological order, would have prevented its continuation. That fundamental reason, which the socialists could not touch, is the following :

Whatever institutions are imposed upon a people or temporarily accepted by it, are soon transformed in accordance with the mentality of that people.

Such a transformation is observed in all elements of civilisation, such as religion, language, and the arts. I have on a former occasion devoted a book to the demonstration of this primary law.[1] Under its action German socialism evolved rapidly.

This is seen in what became, for example, of the institution of the soviets, or workmen's councils, the essential basis of Bolshevism.

In the new Constitution, an article instituted the councils of workmen "to defend the economic rights of the workers. The Government is obliged to submit to them in a consultative capacity all Bills of an economic nature."

The soviet thus transformed is clearly not a cogwheel in the mechanism of government, since it is only consultative.

The constitution of the Russian soviets is quite different. Thousands of small councils were, theoretically at least, to control all local interests. Such an organisation proved unworkable. Since all soviets considered themselves independent, the will of a local soviet was soon contravened by that of other soviets.

The Russian soviet represented, in reality, the lowest stage of primitive society. It is only found amidst savage tribes.

Having got rid of Bolshevism and the soviets, Germany had still to fight against certain socialist tendencies, notably the confiscation and State administration of private property and all factories.

The struggle of the German Government against the projects of socialisation was prolonged until the public found that the idea of socialisation is based on psychological errors and that its realisation

[1] *Lois Psychologiques de l'Évolution des Peuples* (15th edition).

would bring about the economic ruin of the country where it was widely adopted.

In the hope of satisfying the last militant socialists, the German governing powers still maintained the principle of socialisation in their speeches, but they did not dream of socialising any but those industries capable of becoming profitable State monopolies—as tobacco in France, for example.

As for the other industries, the general opinion is fairly well reflected in the following passage from a German paper :

> If socialism takes hold of coal and iron, it will, at the same time, get possession of all the other industries, and that will put an end to all free competition and individual ability. Now we must not lose sight of the fact that State enterprises are not enlivened by competition, but entail considerable expense and exclude export trade ; that, on the other hand, private enterprise and individual interest are powerful and indestructible forces which drag from the most hidden sources the treasures of nature and gain for a nation both riches and prestige.

The most advanced socialists among the German leaders themselves recognise that industries and export trade must not be included in any socialisation scheme but left entirely free.

Russia and Germany are not the only places where Bolshevism has been tried. There is also Hungary. Its methods in the latter country were the same as elsewhere : massacre of the intellectuals, the plundering of banks and private fortunes, and the forcing of the erstwhile rich to follow some manual trade. Private dwellings were commandeered, a single room being left for the former owner, and the rest put at the disposal of workmen.

The social organisation of the Bolshevists in Hungary was on the same lines as in Russia. At

its height a dictator issued orders for requisition and corporal punishment. The results of this régime were naturally the same as in Russia. All the factories were obliged to close down one after the other and want became general.

They lived then on old stocks accumulated during the previous régime, and when these were exhausted it was the end of everything.

If, for reasons still unknown, the Entente had not for a long time opposed the intervention of the Rumanians, which the Hungarians fervently implored, the communist rule would have been of very short duration. It collapsed as soon as a few regiments approached the capital.

England seemed to be the country in Europe best fitted to withstand the revolutionary wave. However, Bolshevism has made some progress there, thanks to the expenditure of enormous sums in propaganda.

The miners appear to be the most contaminated. Their threats are incessant. They now demand the nationalisation of the mines, which means for them that all the profits from the sale of the coal will belong to them, while the cost of production will be paid by the State !

Certain English extremists have gone further still. They have tried to force the British Prime Minister to recognise the Russian Soviet Government and prevent France from helping Poland, which was menaced by a Russian army. Their influence alone can explain the behaviour of the English Government in the latter instance.

The claims of these extremists have aroused violent protest in England.

" The English people," writes *The Times*, " have always abhorred tyranny in any shape or form. They will not tolerate it from a labour Committee

of Public Safety any more than from an unconstitutional sovereign."

Let us hope so, but in reality nobody can tell. Mental epidemics may be checked, but while they last the havoc which they work must be borne.

One thing is very clear to-day and that is that certain English syndicalists would like to place the working classes under the Bolshevist Government of Moscow.

Who could have foreseen that traditional and liberal-minded England would come to this ?

France is still the country which has, up to now, defended itself best from socialist excesses. However, the socialist doctrine continues to make progress.

The socialist party, which caused us so much annoyance before the war, in paralysing our armaments to such an extent that Germany thought she could attack us without risk, has ended by adopting, without reserve, the ideas of the communists.

In order to regain its prestige it is disseminating dangerous illusions among the masses.

It is unfortunately only the representatives of inferior forces who know how to unite. Although mentally powerful the *élite* seem unfitted for action and therefore incapable of defending themselves. It only needs a few energetic men to save a country from the danger of socialism. Italy has just furnished a striking example of this.

For some time socialism wrought the same havoc in Italy as in the various other countries where it had penetrated.

For some months the Italian socialists had reason to believe that they were actually successful. They had taken possession of the town-halls of certain towns ; they had turned out the owners of

the factories and begun to plunder and assassinate according to the method universally practised by victorious socialists. The Government trembled before them and gave way more and more to their demands.

The violence of their excesses soon brought about a reaction. The Fascisti, a new party composed chiefly of old soldiers, rose against socialism, and after a brave fight reduced the communists to complete impotence.

Fascism succeeded solely because it had at its head one of those resolute men so rare in the governments of to-day.

This chief, Sgr. Mussolini, possessed two qualities much superior to those obtained from book-knowledge, namely, character and judgment.

Opposed by combined interests which he has offended by simplifying the administrative machinery, the growing complication of which is a menace to the existence of modern societies, the dictator may finally succumb, but he will have done a very useful work. His great merit is that of having tried to break with that economic State interference which burdens so many countries to-day and which is so ardently defended by socialists.

His ideas are clearly expressed in a speech made in Rome before the representatives of the International Chamber of Commerce. Here are some extracts :

> The economic principles which will inspire the new Italian Government are simple. I believe that the State must renounce all economic functions, especially those having the character of a monopoly, as it often shows itself inadequate to such functions. I believe that a government which aims at delivering the people quickly from the crisis produced by the war must leave the maximum of liberty to private initiative and must renounce all legislation for intervention and hindrance,

which might satisfy the parliamentary demagogues of the Left, but which, as experience has shown, only succeeds in being absolutely fatal to the interests and the development of the economic system.

I do not believe that the totality of forces which in industry, agriculture, commerce, banks and transport may be called by the general name of capitalism is near a decline, as some social theoretical extremists are pleased to tell us. For a long time the experiment we have all watched, one of the greatest of history, has proved most strikingly that all economic systems which neglect free initiative and individual springs of action are quickly doomed to a more or less lamentable failure. But free initiative does not exclude agreement among groups, which is all the easier when individual interests are loyally upheld.

I have reproduced this passage because nobody could express more concisely or justly those great truths which I have been defending for a long time.

We must congratulate ourselves that Europe possesses a man of sufficient energy to endeavour to apply them. If his work succeeds it will have contributed towards saving our civilisations from the danger of final destruction with which socialism threatens them.

BOOK III

THE FINANCIAL DISTURBANCE AND THE SOURCES OF WEALTH

CHAPTER I

THE PRESENT POVERTY OF EUROPE

ALL the Governments, that of the British Empire in particular, ceaselessly demand the economic reconstruction of Europe.

To discover the secrets of this reconstruction a dozen conferences were convened. Their results, unfortunately, have been nil.

The real originator of these conferences, the British Minister Lloyd George, always forgot in his innumerable speeches to reveal his formula of reconstruction. He restricted himself to demanding that France should reduce and even annul by diverse adjournments the indemnity payable by Germany.

The subtle Minister had, however, the wisdom to refrain from proposing any formula of reconstruction. He was well aware, no doubt, that such a formula does not exist.

The desired reconstruction depends indeed upon a still uncertain adaptation to simple economic necessities which are widely misunderstood.

The power of these necessities will become clear when we seek the causes of the poverty of the various European countries and the anarchy which results from it.

(1) *The Real Sources of Wealth.*

What does the "Reconstruction of Europe," so tirelessly repeated by every politician of the present

day, actually mean ? Does it not simply amount to a recognition of the fact that the peoples cannot live unless a certain relation is established between their production and their consumption ?

In the present state of the world, the wealth of a country depends mainly upon the quantity of the products issuing from its soil and its factories. The excess of production over consumption is exchanged abroad for the materials necessary to subsistence which the country itself does not furnish.

It is not enough to produce at prices which make export possible. It is also essential—and most important—to find buyers. If a country manufactures more articles than it can sell, its factories are obliged to limit their production, and unemployment results. That is the case in England, and so she seeks buyers even as far away as Russia. These necessities of commercial exchange prove once more how the nations depend upon each other. They also show what illusions mislead those countries which, in the present state of world poverty, surround themselves with customs barriers, under the pretext of protecting their national industries. Thus they only provoke reprisals which in the end paralyse the very industries they seek to protect.

The sources of wealth which I have just referred to explain easily why certain nations, such as Austria, have fallen into the depths of misery. Where a pound of bread, formerly costing 4d. in Vienna, has risen to £200, it not only signifies that the confidence in Austrian bank-notes is extremely feeble, but also, and particularly, that the productive capacity of the Austrian worker is very much below the necessities of consumption. It is therefore illusory to suppose, as is done by the

League of Nations, that such a situation can be improved by the loan of money.

To give sufficient authority to the Austrian ruling powers to let them bring about an immense curtailment of a bureaucracy which devoured nearly the whole of the State revenue, and then to enable the workers, by suitable wages, to increase their productivity, those were the only effective solutions. It was easy to see that loans of money would be entirely ineffective and it was useless to repeat them.

It will be seen from the foregoing that a people deprived of money, but able to extract from its soil and its factories the elements necessary for its subsistence and for the manufacture of saleable merchandise, may become much richer than a people possessing a certain reserve of gold and silver, but producing insufficient goods. Metallic reserves are quickly exhausted if they are not renewed. The poverty of the Spaniards, who thought themselves rich because they had possessed themselves of all the gold of America, is a case in point.

Germany represents, on the other hand, a people who has lost its gold, but whose economic situation remains prosperous on account of its production.

This creation of wealth by the mechanism of production and exchange just now encounters various obstacles, mostly artificial, but always formidable.

In the first place, the number of buyers has been enormously reduced throughout the world. Those of Austria and Russia have disappeared, and the others have reduced their purchases.

The export of goods at prices permitting their sale has also become difficult by the depreciation

of the money of several countries, such as France and Italy.

Thus, in order to obtain from England or America a certain quantity of raw material which would be worth one hundred francs in France, we must expend about three hundred francs. Since the cost price of the finished article is thus enhanced, its sale becomes difficult. And the buyer also finds himself inconvenienced in his purchases by the incessant variations of the purchasing power of his money, which exposes him to serious loss in the case of important purchases of stock or commercial engagements for a fixed date.

We can thus understand that the nations find existence rendered difficult by these perturbations. Other circumstances complicate the situation still further.

The agricultural people living on the products of their soil, and the industrial people living on the exchange of their goods, find themselves at present in very different situations.

France, an agricultural country, could live on the land if necessary. England could not. If enclosed by an unscaleable wall, she could hardly subsist a month on home-grown food. If the same happened to France, her soil would provide a living for ten months out of twelve.

This difference in conditions of existence give some explanation of British policy. She must absolutely buy from abroad. Since goods can only be paid for by goods, she seeks buyers all over the world.

(2) *The Artificial Sources of Wealth.*

Since the war, those countries which produce little and sell badly have been obliged, in order to exist, to have recourse to various methods. First

of all, there is the creation and enforced circulation of bank-notes.

Since this procedure is always successful at first, several States have adopted it.

Money consisting of paper has of course no other value but the confidence of the public in the government which issues it. Experience shows that that confidence diminishes with the increase in bank-notes or treasury notes and with the delay in its period of repayment.

In principle, the value of a fiduciary money, that is to say its purchasing power, must progressively diminish and finally reach zero. If that value, indeed, could always remain above zero by any amount, however small, the government issuing such paper money could exchange it indefinitely for same good foreign currency. What would it matter to give a thousand-franc note in exchange for a silver franc, since the note only costs its printing? If a State possessed the theoretical faculty of manufacturing notes whose value, while approaching zero, never actually touched it, it could with its bad money purchase all the gold in the world.

Such an hypothesis is obviously absurd. Experience shows, as it did at the time of the *assignats*, that the inflation of fiduciary money finally deprives that money of all value. That is what happened in Russia, Poland, Austria, etc.

In Germany the depreciation of the paper mark is not, as in other countries, due to an enormous excess of consumption over production, but simply to the desire of the governing power to deprive its paper money of all value, so as to render the payment of war indemnities impossible. Hence the value of its artificial money has never fallen to zero in spite of its inflation.

In reality, fiduciary inflation gives to the issuing power the faculty of momentarily exchanging worthless paper for good money or merchandise, but that operation cannot last long. If it is prolonged, the issuing country soon possesses no money that is accepted and finds itself, like Russia, reduced to a direct exchange of its goods for other goods. This is a return to the old system of barter.

On studying the subject a little more deeply, however, we find that not only in olden times was barter a true system of trade.

Paper money is useful to a country which, passing through a temporary crisis, must replace an absent currency of gold and silver. Paper substituted for coin then represents nothing but a loan without date of repayment. It loses its value, as we have seen, by multiplication and by delay in repayment.

The States must therefore never forget that the obligatory treasury note constitutes money which depreciates with time and tends in value steadily towards zero.

CHAPTER II

ANCIENT AND MODERN FACTORS OF WEALTH

A MODERATE agriculture and a slow and uncertain commerce constituted in the old world the principal sources of wealth. It was then supposed that the best way for a people to enrich itself was to pillage its neighbours.

In our days the progressive interdependence of nations has begun to discredit, at least among some economists, the old ideas on the utility of conquest. Numerous facts have proved that the nations gain more by exchanging their products than by destroying each other. Experience has also shown that in order to open commercial outlets with a nation it is useless to conquer it. Thus, it was with countries like the United States that Germany made its most fruitful commerce.

These facts, though obvious, used to belong to that order of truth which I have called " inactive," because their evidence does not make them strong enough to dominate sentimental or mystical impulses like jealousy, hatred, the need for hegemony, and so on, which are capable of urging the nations towards mad adventures.

Four years of struggle and destruction, however, have conferred a certain potency upon these formerly inactive truths. They have proved above all that wars of conquest can never enrich anybody, because the war from which we are just emerging

has ruined the conquerors no less than the conquered.

The nations are now devoting all their efforts to the repairing of their losses, the payment of their debts, and the reconstruction of their lost capital. What will be the future sources of their wealth ?

These sources, whatever their nature, are all dominated by a fundamental principle which may be put into the following formula :

The fortune of an individual or a people depends largely upon the rapidity of circulation of the capital at their disposal.

This formula is similar to that which, in mechanics, governs the quantity of energy. It equals half the product of the mass into the square of the velocity.

In political economy the mass is represented by the available capital, and the velocity by the rate of circulation.

It does not signify that the initial capital is very small. If its circulation is rapid, a very small capital will soon surpass a considerable capital having a small rate of turnover.

Here, also, the mechanical analogy holds. A bullet of small mass but of great speed is more deadly than a metallic mass a hundred times heavier, animated by a feeble velocity. All modern gunnery has been transformed by this principle. It also tends to transform industry. The above principles led us to a new conception of wealth.

In the ancient world, the treasure of a country consisted in the accumulation of pieces of gold and silver enclosed in hermetically sealed boxes from which they emerged but rarely.

With modern evolution, the treasure has altogether emerged from its coffer. It constitutes a

movable mass whose amount varies, as I have said, with the speed of circulation.

Let us suppose, in order to fix our ideas, that a trader possesses a capital of a thousand francs which he devotes to the purchase of a certain quantity of goods, and that he sells these goods at a profit of 10 per cent. If this operation is repeated ten times in the same week the capital will be doubled at the end of the week.

Continuing his operations, the trader will soon be richer than the man who possesses fifty thousand francs of capital which is fixed or which only brings in a small revenue.

It also results from these elementary calculations that the size of a commercial or industrial profit depends not so much on the gain at each operation as on the frequency of the operations.

It also follows that the more frequently the gain is repeated, the more it can be reduced. The reduction of the profit in turn facilitates the circulation of the capital by putting the goods within reach of a larger number of buyers.

Both the buyer and the vendor therefore gain by the speed of circulation of the capital. This is the principle on which the great stores are founded which have replaced the small shop where the trader, selling little, was obliged to sell dearly.

The examples I have just indicated allow us to present the above formula under the new form : *The increase in the speed of circulation of capital is equivalent to the augmentation of the capital.*

This formula will rule the modern industrial world more and more. What are the means of applying it ?

The factors which can accelerate the speed of circulation of capital were much studied by the Americans and the Germans before the war. It is

on that account that their economic development exceeded ours.

The necessity of speed in production and its disposal being admitted, we immediately see the importance of perfecting the means of production, of machinery, and transport.

I cannot here go into the influence of the various factors of industrial and commercial intensification, or those which make for rapidity of production and disposal. But there is one I shall mention in passing—the increase of agricultural output, since its importance preponderates in the phase of shortage which threatens the world.

Agricultural output before the war was as mediocre in France as was industrial production. Grain-producing land yielded barely 14 bushels to the acre, while the German land, though inferior to ours in quality, yielded double that amount, thanks to the use of fertilisers.

Whether in agriculture or in industry, the insufficiency of our technical instruction constituted a cause of inferiority. That instruction must be entirely overhauled.

In an interesting essay published by the review *L'Expansion Économique*, the engineer M. Loiret gives striking examples of the differences of efficiency in manual work and machine work according to the technical knowledge of those who employ it.

The author reminds us, in particular, of the classical example of Taylor, who, by the methodical elimination of useless movements, succeeded in making a workman load 47 tons of castings into a trolley while his comrades only loaded 12 tons, owing to their lack of method.

He then quotes cases of factories of electrical

apparatus where the output was more than doubled by adopting sound methods, and others who were able to reduce their price 40 per cent., which enabled them to increase the workmen's wages. To raise those wages without at the same time increasing the efficiency only increases the selling price. The manufacturer is then faced with the competition of better equipped rivals and his goods become unsaleable.

The writer also points out that the methodical utilisation of coal can reduce its consumption by 30 per cent. He reminds us that at the stokers' competition held in 1905 at the Liége exhibition, with the same furnaces and the same fuel, the difference of output between the first and the last of the competitors was 50 per cent.

The necessity of perfecting the technical training of the workmen and their foremen is paramount. Handicraft is becoming more and more rare and costly, and selling prices have to be reduced.

Since a large proportion of our debts is external, it cannot be paid except by the excess of our agricultural and industrial production.

All these considerations show that a material capital constituted by money, factories and harvests can increase considerably when multiplied by a certain individual coefficient which I shall call the *coefficient of mental ability*. It is upon this that the factor of rapidity of production, the importance of which I have shown, mainly depends.

It is therefore evident, contrary to the equalitarian dreams of the socialists, that in the future, even more than in the past, the wealth of a nation will depend mainly upon its scientific, industrial, and commercial *élite*.

Those countries where, under socialist influence, the development of State control continues to

paralyse individual initiative will find themselves in a state of crushing inferiority to those countries where, as in America, the action of the State is reduced to its minimum and the initiative of its citizens is brought to a maximum.

We have had to limit ourselves in this chapter to a demonstration of the part played by speed in the creation of values.

In studying its influence upon the evolution of the present-day world, it would be easy to prove that our civilisation will be more and more dominated by this factor. It is this which will differentiate this last century from all those which have preceeded it for thousands of years of history.

From Sesostris to Cæsar, from Louis XIV to Napoleon, the manufacture of goods, the migration of people, and even the circulation of ideas took place very slowly.

The discovery of coal, *the creator of speed*, made rapid transport and the building of giant factories possible. The life of peoples and their thoughts also were then transformed.

Modern existence depends upon the winning of coal, and would be instantly arrested if that source were to disappear. A prolonged coal strike would endanger all economic and social evolution in England. The importance of coal in the material and moral life of the nations justifies the chapter which is devoted to it in this book.

Whatever may be to-day the element of civilisation under discussion, the efforts of science tend to accelerate its speed. We might even say that the function of speed is to lengthen the span of existence, provided we admit the aphorism which I formulated elsewhere : *The duration of life does not depend upon the number of our days, but on the diversity of sensations accumulated during those days.*

CHAPTER III

THE APPARENT MYSTERIES OF THE RATE OF EXCHANGE

WHEN, in 1525, Jacques de Chabannes, seigneur de la Palice and Marshal of France, died before Pavia, he left behind him the reputation of a valiant soldier but not that of a philosopher. Posterity alone—nobody knows why—made that honest warrior the father of the only truth-bearing philosophy which people do not dispute and for defending which they rarely feel the need of killing each other.

The so-called " truths of La Palice " constitute in many ways the most important conclusions of our knowledge. It would hardly be an exaggeration to say that the grand progress of science consists in transforming originally uncertain hypotheses into " truths of La Palice," i.e. self-evident truths. I have on a former occasion showed that one of the essential principles of thermodynamics, on which the wisdom of physicists has painfully exercised itself for fifty years, can be reduced to this truth of La Palice : A river does not flow back to its source.

It is the same in many sciences. Quite recently, one of our most illustrious Marshals assured us that the only truths useful in war were " truths of La Palice."

We may say the same of certain sciences

of severe appearance, developed in ponderous volumes, like political economy. They contain a respectable number of truths of La Palice, such as the fundamental principle of supply and demand which the humblest cook understands when the price of the eggs she buys rises with their scarcity.

Most of the other theories of political economy become as simple as soon as we strip them of the obscuring crust accumulated by their commentators.

The object of the above preamble was to prepare the reader for an examination of the question which is just now upsetting the financial life of the nations, viz. that of the rate of exchange. Weighted with an accumulation of errors it has, in spite of its extreme simplicity, become a mysterious phenomenon which is supposed to be ruled by incomprehensible occult forces or by the dark designs of subtle speculators.

Suppose a philosopher brought up on the truths of La Palice were to try and explain the problem of the exchange in spite of its obscurities. How would he do it ?

By a rapid examination, and without resorting to any economist, he would easily notice that the loss on exchange, that is to say the diminution of the purchasing power of money, varies with the degree of confidence reposed in the country which issues that money. If, in order to buy from Switzerland or from England an object worth a hundred francs in France, we have to pay three hundred francs, in other words, if the franc has lost two-thirds of its nominal purchasing power, this simply means that confidence in our solvency is notably reduced.

The exchange, therefore, represents a psychological thermometer indicating the confidence

reposed in the country to which the vendor sells his goods.

This definition shows clearly that the expression "stabilising the exchange" repeated by so many economists and experimented with by so many countries is an absurdity. To stabilise the exchange would be equivalent to stabilising any measuring instrument, such as the barometer.

What causes can produce a variation of this confidence, the oscillations of which are shown by the oscillations of the exchange? It would be another platitude to say that if the expenses of a private person, a manufacturer, or a State remain long in excess of receipts, the confidence in his credit will diminish rapidly.

It will fall still further if, in order to pay his debts, the debtor must increase his borrowings.

When it is the State which conducts this operation, the loans take various forms which disguise its nature to some extent. The usual form is that of paper money, consisting of Treasury notes in forced circulation and bearing no date of redemption.

Such notes, of course, amount to loans without any other security than the confidence inspired by the borrowing State. If the State multiplies its notes (a process called fiduciary inflation), confidence falls more and more, and finally approaches zero. It is at this last and inevitable stage in the life of a paper currency that Austria, Russia, Poland, etc., have arrived. The total depreciation of paper money represents the equally total disappearance of the confidence which it inspired at first.

The thermometer constituted by the rate of exchange is very sensitive. Therefore, in France, there was a very sharp fall following a too gravely pessimistic declaration in the Chamber des Députés on the deficit in the Budget.

There is no doubt that speculators profit by such circumstances and accentuate the fall to advance certain interests, but their operations are always limited and transient. The oscillations produced in the curve of confidence do not change its general trend.

To-day, we are suffering from the results of the disastrous catch-phase : " Germany will pay," which led to so much useless expenditure in the devastated area. Nobody suspected then that, thanks to a fiduciary inflation of such proportions as to deprive the paper mark of all value, Germany would evade any payment whatever. M. de la Palice would have guessed it perhaps, but our diplomats did not foresee it.

Among the causes of the fall in the exchange, causes which always reduce themselves more or less to a diminution of confidence, can be numbered the disturbance of the balance of trade, that is to say the balance between imports and exports.

Brazil furnishes an excellent example. During the war her exports rapidly increased, while her imports grew daily less. Europe having need of a host of commodities when she had nothing to sell, gold flowed into Brazil and her rate of exchange rose rapidly.

When the war ended, Europe had no longer any need to buy from Brazil, who, on the other hand, had to make large purchases abroad in order to replenish her exhausted stocks. Her imports then became much greater than her exports and her exchange soon fell. It will continue to fall until the increase in her production allows her to counterbalance her imports. This country had, moreover, the good sense not to put duty on foreign imports, as so many others have done.

When all confidence is lost in the value of

artificial money such as paper, and when the country which issues this depreciated money has neither gold nor silver, can it be stated that they have no money ?

Let us put it another way. Gold, I cannot repeat it too often, contrary to the opinion of various economists, represents a commodity like any other commodity, and it can be replaced by many others.

Various commodities are doubtless less easy of transport than gold or silver, but their purchasing power is just as effective.

Any negotiable commodity, such as a sack of corn or coal, therefore represents money, as does a fixed weight of gold in a twenty-franc piece, simply because it is exchangeable against fixed quantities of other commodities.

I have already pointed out that the rich nation is the one possessed of a surplus of exchangeable goods, and the poor nation is one which, not possessing enough, is obliged to borrow. It then pays the vendor not in goods but with paper, which represents in reality an uncertain promise of goods.

The richer a nation is in negotiable commodities the less has it need of gold or silver. Whether this nation, to facilitate the exchange of goods, uses gold, drafts, bank-notes, or cheques, etc., is of no importance. There is no question of confidence in the exchange of goods against goods, since the buyer limits himself to the bartering directly or indirectly of one lot of goods for another of the same value. In reality he pays in cash even though gold and silver do not enter into the transaction.

Until a trade balance is established in the various countries, that is to say until their imports can be paid for in exports, the fluctuations in the pur-

chasing power of fiduciary money bring about some very formidable complications.

The country whose money has retained its value suffers sometimes nearly as much through this superiority as other countries suffer from the depreciation of their notes. When, as a consequence of the loss in exchange, we pay three times the value of goods from England or America, it is exactly as if these countries had trebled the selling price.

This artificial rise in prices naturally hinders the sale, and a great number of foreign factories have been obliged to close down.

But, if the nations whose currency has not depreciated find difficulty in exporting their products, it is greatly in their interest to import, since, thanks to the exchange, they pay but a third or a half of the value of what they buy. Thus England has recently been able to obtain in France enormous quantities of sugar at a price far below the English prices. Thus also have foreigners been able to buy in France and Germany large premises and factories at a third of their value.

The effects entailed by the fluctuations in the buying power of the same currency in various countries are felt not only in trade but in international relations. Let us suppose that a Frenchman travelling in Italy and in Switzerland stays at hotels whose tariff is twenty francs a day. On account of the rates of exchange he pays in these hotels the equivalent of ten francs a day in Italy and sixty in Switzerland. From the same cause, an object which costs twenty francs in France will cost ten francs in Italy and sixty francs in Switzerland, England or the United States.

One of the conclusions we may draw from the above is that it is in the interest of all countries

with a depreciated currency to export and not to import. The interest of a country with a currency which has not depreciated lies, on the other hand, in importing and not exporting.

Unfortunately, the two operations of import and export, being complementary to each other, cannot be isolated. A nation which only exports or only imports would soon be ruined.

It is just because in most nations there is no balance between exports and imports that financial disorder has become general. There are some who cannot export enough, as the price of their goods has been trebled by the rate of exchange, while others cannot import on account of this same rise in prices.

How is such a situation to end? It is greatly obscured by the vagaries of certain economists on the stabilisation of the mark or the advantages of fiduciary inflation. Yet I imagine that a little reflection would soon show them that goods are simply exchanged for other goods, so that the question of money loses its importance as soon as the quantities of goods for exchange are sufficient to restore the balance between production and consumption. Fiduciary money will then be nothing but a conventional sign analogous to a cheque or a receipt. It is obvious, for instance, that if I send to a trader a certain quantity of iron in exchange for a corresponding quantity of wheat, at the world's market price all operations of the exchange disappear.

It is not only in recent times that paper money and the consequent variations of the exchange have appeared in the world. France of the Revolution had already its *assignats*, whose history is well known.

The British Government also made use of paper

money in its wars against Napoleon. The notes of the Bank of England were in compulsory circulation from February 1797 to May 1821, i.e. for twenty-four years. The English were thus enabled to procure the resources necessary to break the power of Napoleon. Their notes never lost more than 25 per cent. of their gold value, and only 2 per cent. in 1817.

In the American Civil War, America also used paper money. Its compulsory circulation lasted from 1862 to 1879, and during the first years it lost as much as 50 per cent. of its gold value. When the war ended, that depreciation rapidly diminished and disappeared even before the suppression of the forced circulation.

How did the English and the Americans succeed in restoring the full value of their paper money? It was only by the prosperity of their trade which restored confidence.

These examples prove that the fall of the exchange, which so seriously affects the cost of living, is intimately bound up with the economic restoration of Europe. That restoration (it cannot be repeated too often) reduces itself to two requisites: (1) To produce at prices allowing of the sale of exportable goods; (2) to increase, in France at least, the productivity of agriculture, which constitutes a form of wealth superior to every other. When the nations thus balance their receipts and their expenses, financial anarchy will immediately disappear.

The fourteen conferences successively assembled in four years to discover other solutions have led to nothing. They were marked by a great deal of eloquence, very little science, and still less common sense.

CHAPTER IV

HOW A DEBT MAY VARY WITH TIME

AMONG the illusions which beset nations at the present day we may refer to the illusion concerning the amount of the German debt.

The determination of the exact amount of this debt is difficult, as it may change in immense proportions according to the mode of payment, the dates fixed, and so on.

A little calculation will show how enormous these variations can be.

Let us assume that Germany's debt, finally fixed at 132 milliards, is only 100 milliards, bearing 5 per cent. interest, and let us enquire what becomes of this amount when we simply change the dates of payment.

Let us suppose that Germany only pays one milliard (a thousand million francs) a year, and let us see in round figures how her debt will increase.

A well-known formula shows that in ten years the debt of 100,000 million will have risen to 150,312 million ; in twenty years to 232,264 million ; in thirty years to 365,755 million ; in forty years to 583,200 million ; and in fifty years to 937,392 million.

The debt will therefore have increased tenfold in fifty years, and will have risen to a figure which all the united treasuries in the world would be unable to pay.

Now let us suppose that Germany wished to pay off her debt of 100,000 million with 5 per cent. interest. She would have to pay an annual sum of 5,477 million. If the debt did not bear interest, an annual payment of 2,000 million for fifty years would suffice to clear it.

All the moratoria which Germany has asked for would, it is important to remark, have the result of considerably reducing the amount of her debt by the loss resulting from the working of compound interest.

The *present* value of the sum of 1,000 million francs, the payment of which is put off for eleven years, is actually only 584,679,000 francs. With a moratorium of twenty years, its present value falls to 377 million, and with one of fifty years it would only be 87 million. Finally, if payment were put off for four centuries, its present value would only amount to three francs !

This reduction of a 1,000 million debt to three francs shows the important part played by time in financial matters. Owing to this action of time, any sum, however great, may be reduced enormously or increased enormously. It has been calculated that the franc put at compound interest at the beginning of the Christian era would now be represented by a sphere of gold larger than the whole earth.

It is owing to this influence of time that one can purchase a house of a value much beyond the temporary resources of the buyer. With a rate of repayment which is small but prolonged the debt is cleared off rapidly enough. Our institution of the Crédit Foncier is based on this principle.

Individual life is very short, and so the amount of a sinking fund is relatively high and a debt must be repaid fairly quickly. But for a community,

whose life is theoretically eternal, the annuity can become as small as we wish. That is why States can borrow heavy sums and repay them easily. They simply spread over a very long time the payment of sums the immediate repayment of which would be impossible.

The above figures show what enormous debts Germany accumulates theoretically by the slightest delay in her payments. It would require a very large dose of illusions not to see the impossibility of recovering such sums from her.

Yet in our calculations we have assumed her debt to be 100 milliards instead of the 132 milliards actually fixed.

At first the amount of the German debt was much higher. It was reduced several times under the pressure of the British Government.

The irritation of France against England is just on account of this reduction of the German debt. Fixed at 259 milliards at Boulogne, it was reduced at the Paris Conference of 1921 to 226 milliards, payable in forty-two years, and then at the London Conference to 132 milliards, also payable in annuities.

The English Statesmen who brought about these reductions were very wrong indeed to irritate a mighty Ally for the sake of figures the illusory character of which cannot have escaped them. Did they really think that for half a century a nation of 60 million would pay an enormous annual tribute to their conquerors ? The following reflections of Mr. Asquith, the former Premier, are indisputably right :

> Those who imagine to-day that a handful of people sitting round a table in Paris, whatever their wisdom and their political ability, can foresee what will happen twenty, thirty,

or forty years hence in the matter of payments, evince a dose of credulity and lack of imagination which are not to the credit of the statesmen of the present day.

It would be useless here to enquire what would have been the consequences to the various nations of Europe if Germany had paid, because she has rendered herself unable to pay anything by a monetary inflation sufficiently great to reduce the value of her bank-notes to an amount approaching zero. We have seen in another chapter who are the people who will actually defray the cost of the war.

CHAPTER V

CAUSES OF THE HIGH COST OF LIVING

IN the popular imagination, events are always due to a single cause. That the cause is a real one is of no importance, so long as it is a simple one. The complicated mechanism of phenomena is not accessible to the collective mind, nor to legislators under the influence of collective sentiment.

Simple ideas urge the multitude to demand rudimentary solutions of the most difficult problems. If the price of goods or the rents of dwellings increase, what is simpler in appearance than the remedy of fixing a legal price? Numerous experiences have shown that the result is exactly the opposite of the result hoped for, but experience figures very rarely among the things which convince people.

A simple idea, in order to obtain a hearing, must be charged with hope.

In the countries where opinion rules without a counterpoise, simple ideas, whatever their falsity, soon acquire so much power that the governments can no longer dominate them. This makes them very feeble, and consequently they have constantly to change their tactics.

A brief study of the problem of the high cost of living will allow us to illustrate the preceding propositions on the danger of simple ideas.

To the popular mind, and even to some more or less cultured minds, the high cost of living has simple causes, such as the greed of the middlemen. That conviction was so deeply rooted at a certain time that in order to force the Government to persecute the shopkeepers, the General Confederation of Labour decreed a general strike.

Now this problem, so easily solved according to unthinking people, is, on the contrary, one of excessive complexity. We may judge of this by the following enumeration of its chief causes.

The rise in wages and commercial profits during the war greatly increased the purchasing power of a number of consumers, while production diminished. By reason of the indestructible law of supply and demand the traders profited by the increase in the resources of the customers to raise the price of their goods.

In order to fix our ideas by a very clear case, let us suppose that the weekly market of an island protected from all other imports from outside, a hundred rabbits arrive every week, for which there are two hundred would-be buyers.

The irresistible law of supply and demand just referred to will raise the price of the rabbits supplied until one hundred of the prospective buyers are eliminated by a lack of resources.

Irritated by this inability, the one hundred disappointed ones will strike in order to obtain from their employers an increase of salary which will permit them also to buy a rabbit.

Having obtained the increase claimed, they will visit the next market to obtain the rabbits they want. But since one hundred buyers must always be eliminated, since there are only one hundred rabbits altogether, the price still increases, until it becomes so high that only one hundred buyers can

afford a rabbit. The result will be invariably the same however much the wages are raised for the aspirants to the privilege of possessing a rabbit.

When, by the competition among buyers, the price of a rabbit becomes fantastic, the public grows indignant and asks for the intervention of the Government.

Unfamiliar with the laws of supply and demand, the Government fixes a maximum price for the sale of a rabbit.

The result is immediate, and is exactly contrary to the end aimed at. As soon as the price is fixed, the hundred weekly rabbits disappear from the front-shop and pass into the back-room, where they are sold at a still higher price on account of the risk to which the shopkeeper exposes himself.

This story is not at all as imaginary as one might think. It summarises the facts experienced thousands of times since the beginning of the war, facts from which, by the way, nobody has learnt anything. The recent laws on illicit speculation, on rents, and so forth, show the almost complete lack of comprehension of our legislators when faced with certain economic phenomena.

The Eight-Hour Day.—While production is insufficient everywhere and requires to be increased, the socialists have enacted a law forbidding the employment of workmen beyond eight hours. The direct results have been a notable increase in the cost of living and an enrichment of the wine merchants.

This disastrous law has had other consequences as well. The railways and shipping having had to double their staffs, the cost of transport has enormously increased. The increase was so great that, under pains of seeing our sea-borne trade totally destroyed by foreign competition, the

eight-hour law had to be abrogated as regards shipping.

Progress of State-control and Administrative Disorganisation.—Under socialist pressure, the extension of State control and the bureaucratic complications entailed by it have involved colossal expenditure. Hence the forced imposition of new taxes, and, as a consequence, a fresh rise in the cost of living.

Not the smallest measure can be taken in our country without the help of innumerable officials belonging to various independent Ministries, which never agree. As we gather from the Report presented to the Chamber of Deputies, the State-controlled boats departed empty from Bizerta for France, while mountains of cereals rotted on the quays. This was simply because the officials who gave the order to leave had no connection with those who could have given orders to load the boats.

There is neither unity of action nor co-ordination of agents (writes M. G. Bourdon). The Ministries and Services overlap, interfere, cross and paralyse each other. Well-disposed men are at the head, but they are thrown into an organisation without cohesion, with competing authorities and officials pulling in opposite directions. Instructions are warped in passing down the cascade of hierarchies ; orders are met by counter-orders which are cancelled in turn by dissentient authorities. Circulars are piled up which contradict each other and which those concerned no longer even taken the trouble to read. We have yet to discover the secret of organisation.

In spite of the clearest evidence we persist in our methods. State control leads inevitably to the ruin of the countries which do not know how to escape it.

In an authoritative work, Senator Gaston Jāpy

gives the following very suggestive figures bearing on this matter.

In 1922, the deficit of the State railways was 430 million francs. The use of the State merchant fleet cost 300 million. The tobacco *régie* brought into the Treasury three times less than the tobacco duty in Great Britain, where the State does not concern itself with its manufacture.

Inflation of Currency and Increase in Wages.—The excessive multiplication of a forced paper currency, of which we have studied the origin, has various consequences which I shall have to examine in various connections. I shall here only refer to its effect on the cost of living.

One of the first effects of this inflation was to permit an enormous increase in the wages of officials, railway employees, and other workmen.[1]

They are thus enabled to increase their expenditure which ought to be restricted, production being insufficient.

The progress of inflation has quickly reduced foreign confidence in our bank-notes. In England, America, and Switzerland the franc is now only accepted at a third of its value.

Consequences of Dear Living.—The consequences of a high cost of living are too numerous to be specified here. Some of them are remote, such as a reduction in the birth-rate. Others, like the depreciation of quality in a large number of manufactured articles, are immediate.

The cost price of high-quality goods being very

[1] From 1,800 francs before the war the wages of railway employees have jumped up to 6,000 francs, with two months' leave per annum, eight hours' work per day, and a pension at the age of fifty-five. The annual cost of personnel has risen from 750 million to 3,000 million. The deficit of the companies amounts to 4,000 million, and will, according to all probability, rise to 6,000 million. A veritable Road to Ruin.

high and the resources of many purchasers being limited—for the New Rich are surrounded by a legion of the New Poor formed of the remains of the old bourgeoisie—it has been necessary, in order to reduce the sale price, to make a notable reduction in quality. Whether in clothes or furniture, this diminution of quality is such that export will soon become impossible.

Value of Proposed Remedies for the High Cost of Living.—The utter inadequacy of the means tried to remedy the high cost of living is sufficient proof of the extent to which certain fundamental economic laws are misunderstood. Our legislators find out daily how these laws regulate the course of events and are superior to all their intentions.

The legislative remedies tried were the following: (1) Rise in wages; (2) price-fixing; (3) enactment of severe penalties against profiteers.

All these remedies have only made the cost of living still higher. It is easy to explain why. As regards an increase in wages, I have already explained that this increase, whatever its amount, has no other result than a further increase in the price of goods. Experience has too clearly proved this assertion to necessitate its repetition.

The fixation of prices to which ill-informed legislators have recourse again and again has the same influence on the rise in the cost of living. It always raises prices and never reduces them.

If experience, and not the exigencies of a blind public opinion, had guided our legislators, they would have remembered that the Convention, after attempting to fix prices, finally renounced the practice and publicly proclaimed its error.

The third "remedy" for dear living, consisting in severe penalties against "profiteers," has been even more illusory than the others. It conflicted,

in fact, as we have seen, with the eternal law of supply and demand, which always fixes the prices of things in a manner which is beyond the power of legislative intervention.

In fact, none of the laws devised against " profiteering " have reduced the price of any goods by a farthing, either during or after the war. To give an appearance of obeying the regulations, the traders placed a small quantity of goods on sale at a fixed price. It was distributed to buyers in small portions, after hours of waiting in front of the shops. The bulk of the goods was sold in secret to clients who consented to buy at an enhanced price.

As regards new laws such as that relating to rents, their immediate consequence was to reduce the building of houses at the very time when the house shortage was increasing from day to day. The promoters of these measures gave evidence of inconceivable blindness. The laws will have to be repealed after ruinous experimentation, when it becomes clear, for instance, that nobody will undertake to build houses.

Having shown the futility of the remedies hitherto proposed for the high cost of living, we must see whether there are others which may be more efficacious.

We can only find three : (1) Co-operative association of buyers ; (2) suppression of import duties ; (3) increase of production.

The efficacy of the first two remedies is immediate, but feeble. That of the third is remote, but considerable. It is, indeed, the only one to count upon seriously. It is easy to prove this without much argument.

It is useless to say much about co-operative societies, since their success in France has always

been mediocre. They might—but only in theory—benefit the public to the extent of the enormous margin (generally half the total) which since the war usually lies between the price paid to the producer and that paid by the consumer. The sense of solidarity and organisation necessary for the realisation of co-operative enterprises is unfortunately lacking in France.

The facility of importation which would result from a suppression of prohibitive import duties would be a more effective means than the former for reducing the cost of living, but the power of the great producers over Parliament is such that we are condemned for a long time to an excessive protectionist policy.

Our governors, who sometimes seem to be haunted by the fear of an invasion of German products, are victims of an economic illusion from which the English, the Americans, and the Italians have known how to guard themselves. After some reflection they will surely discover that if the Germans find how to make good products at remunerative prices they will spread themselves over our markets no matter what barriers we interpose. Bought first of all at prices much below their value, on account of the rate of exchange, by England, Belgium, Switzerland, etc., they will be passed on to us at considerably enhanced prices by the various countries with whom we are bound to trade unless we wish to surround ourselves with a Chinese wall which would mean definite ruin.

Imports without compensating exports are, as already remarked, but transitory operations, because goods are never finally paid for except by goods. Credit, of course, can replace the latter by paper, that is to say, by promises, but such a mechanism cannot carry on for long. Import without export

is a form of borrowing, and a people cannot live by continual borrowing.

To repair our ruins, pay our debts, and diminish our cost of living, there remains only one of the methods enumerated above, viz. that of enormously intensifying our production, at prices making export possible, and especially agricultural production.

The formula is easily put into words, but it would require a volume to show not only its importance but also the difficulties of carrying it out.

Though France is mainly an agricultural country, her agriculture is still so badly developed that she has to import at huge prices grain, sugar, fruit, potatoes, etc.

Our colonies are no better as regards development. Before the war they were in the hands of foreigners, commercially speaking. The *Journal de Genève* recently insisted on the greatness of our colonial empire and on our prodigious incapacity to utilise it. "It was the foreigners," it said, "who made the most of the French colonies. France abandoned to her rivals over half the trade, as in Tunis, and sometimes three-quarters. In Indo-China she only did one-third of the imports and one-fifth of the exports."

All these things, and many more, must be said again and again and repeated without ceasing. Our future depends upon obstinate and wisely directed labour. Well-directed labour means the assurance of a prosperous destiny. Indolence, incapacity, and party strife produce the decadence which has overtaken all nations incapable of adapting themselves to the new necessities created by new emergencies.

BOOK IV

THE WORLD'S ECONOMIC CHAOS

CHAPTER I

THE NEW FORCES GUIDING THE WORLD

FIRST causes being inaccessible, the intimate nature of physical forces remains unknown. In order to define them we are reduced to saying that they are "causes of motion." The intimate nature of the motives which drive men remain as much unknown as that nature of physical forces, and so we must imitate the reticence of the *savants* and simply call our various springs of action "forces."

These forces may be internal, i.e. issuing from ourselves, such as biological, emotional, mystical, and intellectual forces. They can also be outside us, such as the influence of surroundings and economic influences. During all prehistoric times, the biological forces, hunger especially, dominated existence almost exclusively. Humanity had no possible ideal but food and reproduction.

After ages had been piled up, life became a little easier and rudimentary societies were born. The nomad tribe was succeeded by villages, by cities, and finally by empires.

It was only then that great civilisations could spring up. They were of different types according to the forces which moulded them.

Biological needs and certain emotional elements like ambition engendered civilisations of the military

type analogous to those of Rome and the great Asiatic monarchies.

When intellectual forces began to preponderate, Hellenic civilisation with its marvels of thought and art arose. When the mystical forces came into power, we had the Middle Ages with their cathedrals and their intense religious life.

Thus the great civilisations which developed on the earth's surface had different origins. But they had the common characteristic of being influenced by diverse divinities endowed with sovereign power.

Though they were but the synthesis of the sentiments and needs of men, of their dreams, their fears, and their hopes, the gods were for a long time considered the only beings capable of ruling the world and of furnishing explanations of the infinite questions raised by beings surrounded by awe-inspiring things which they did not understand.

No community, great or small, has ever been able to escape this domination of mystical forces. Their *rôle* was such that the greatest civilisations, notably the Buddhist, Christian and Mahomedan, are designated by the names of their gods.

The spiritual need of a faith seems to be such an irreducible element in human nature that no reasoning can disturb it. When personal gods vanish they are immediately replaced by impersonal divinities, dogmas and formulas, to which their adherents attribute the same powers as to the ancient gods. The religious spirit is as intense to-day as in periods of the greatest credulity; it has scarcely even changed its form.

The new beliefs, socialism, spiritism, communism, etc., have the same psychological foundations as the ancient faiths. They have their apostles and their martyrs. In various other works I have laid

much stress on the leading *rôle* which mysticism plays in history, so there is no need to return to the subject here.

To the emotional and mystical biological forces, which guided nations almost exclusively during a period of their evolution, were added later intellectual forces which now play an important part. They have changed all the conditions of the existence of man, but their effect on sentiments, passions and beliefs is unfortunately very slight. Far from restraining international and class hatreds, intellect is used in their service and only renders more deadly the conflicts which have always separated mankind.

All the forces previously enumerated have one characteristic in common, that they exist within us and are more or less subject to modification by the desires which spring from our needs and beliefs.

But, as I have shown from the very beginning of this book, modern times have seen the birth of a new power : economic force, which is unaffected by any desires or beliefs.

Thus it happens that after being governed by a pantheon of illusions in the course of its history—religious, political and social illusions—humanity has arrived at a new phase where economic forces predominate over all chimeras.

Formerly of little account, when peoples were separated by unconquerable distances, these forces have become so preponderating that they govern imperiously the destinies of nations. These have been obliged to give up their isolation and an interdependence has been established which increases every day and which will end by overcoming hatred.

The economic ruin of Europe following the defeat

of Germany is a striking example of this interdependence.

England, whose exports have been reduced by one-half since she lost her German customer, is wondering how to extricate herself from a situation which is driving several millions of her workpeople into unemployment and want.

If, in the course of this work, we come back so often to the *rôle* played by economic forces, it is because their influence grows greater every day. To-day they are found in combat with those forces which formerly led the world. Without doubt, short-sighted statesmen and other visionaries will continue to disturb national existences, but they will have but a passing effect. The future world will be ruled by new economic forces, themselves derived from material forces, formerly unsuspected, which have changed the lives of nations. We are about to show the part they will play.

CHAPTER II

SOCIAL INFLUENCES OF THE POWER DERIVED FROM COAL AND OIL

UNKNOWN up to a recent period,—recent since it goes back hardly further than Napoleon—the part taken by the new motive-powers has become so preponderant that it is difficult to imagine civilisation without them.

The power of modern States tends more and more to be measured by their richness in coal or petrol. Without these sources of power they would fall necessarily under the tutelage, at first economic, afterwards political, of those who possessed them.

The *rôle* of the great modern motive-powers shows up in a most striking manner when one puts their mechanical production into figures and compares it with what could be done formerly by men and animals.

Calculations which it would take too long to explain here have enabled me to show that the 190 million tons of coal extracted annually from the German mines before the war could accomplish mechanical work equal to that which it would have taken 950 million workmen to do. Coal as a worker has besides this great advantage, that it does for three francs work for which a human worker would ask at least 1,500 francs.[1]

[1] I have indicated the basis of my calculations in my book, *Enseignements Psychologiques de la Guerre*. An eminent member

It should be added further that five thousand miners working for a year can extract a million tons of coal capable of producing as much work as five million workmen.

To increase the wealth of a country in coal really comes to the same thing as enormously multiplying the number of its inhabitants. Much coal and few inhabitants are worth more than little coal and many inhabitants.

It should moreover be noticed that coal is also a veritable creator of inhabitants. The learned Professor de Launay has shown that the populations of the big towns in England have increased enormously with the production of coal in their neighbourhood. Glasgow, for example, had a population of 80,000 inhabitants in 1801, and has 800,000 to-day. Sheffield, which was only a feudal borough at the same epoch, now has 380,000 inhabitants. From a population of 5,000 in 1700, Liverpool has grown to 750,000. These new populations represent coal transformed, and they would die of starvation if some geological catastrophe were to destroy the coal of which they are born and by which they live.

The most casual glance will show to what extent modern civilisation rests on the use of coal and similar products such as petrol. Anyone can see that if these products disappeared the railways would stop. But it requires statistics to show that it is not the locomotives which absorb most coal. The railways consume only 18 per cent. of the total consumption of coal, while industry, including

of the *Académie des Sciences*, M. Lecornu, has adopted them in his work, *La Mécanique*. His results differ slightly from mine only because he has taken a higher figure for the price of coal in Germany before the war. With the present prices of coal my figures would naturally be modified accordingly.

mining, takes 47 per cent. ; 19 per cent. is used for domestic purposes, and gasworks take 7 per cent.

During the war, the part played by coal and petrol was preponderant. Without them we should have had no guns, no munitions, and no foodstuffs, and the Americans would not have been able to cross the ocean to take part in the struggle.

At the present time, coal is so indispensable to all nations that those who have not enough, like Italy, seem destined to become vassals of the countries which possess much, like England.

One knows what a formidable means of pressure the possession of coal gives to the latter when other nations are reduced to buying of her to feed their industries.

Thus, at the Spa Conference, Great Britain forced France, thanks to exorbitant export duties, to pay £5 a ton for coal which was sold to the English at £2. Only the competition of the American coal put an end to this exploitation which shows how little an alliance weighs against economic interests.

The dominating position which wealth in coal gives to certain nations is equally evident in the industrial and commercial history of Germany. Her great development, begun only in 1880, was chiefly the result of the considerable over-production of her mines.

Producing more coal, she manufactured more. Manufacturing more, she had to increase her exports and create as a consequence new markets. In 1913, her exports reached the enormous figure of 13 milliards.

Then she necessarily came up against English competition everywhere. In the hope of beating it down, Germany built herself a powerful navy and paved the way for the war which eventually broke

out. The coal wealth of Germany was therefore one of the indirect causes of the conflict which was to agitate the world.

To foretell the probable economic future of nations it is sufficient to know their production of coal. The United States extracts annually nearly 600 million tons; Great Britain, 300 million (a figure which was reached by Germany before the war); France, 40 million out of the 60 million she requires. Spain, nearly at the bottom of the world's industrial scale, produces only 4½ million tons.

All the facts I have just mentioned show that the wealth of coal which determines the industrial power of nations will also determine their political position. A country which is obliged to buy abroad and transport at great cost the coal it needs cannot manufacture economically and can therefore not export. It must therefore concentrate its efforts on products requiring but little motive power, such as clocks, art objects, fashions, etc., and must above all perfect its agriculture, the necessary basis of its existence.

The Latin nations, whose industrial capacities are small, have every inducement to concentrate their efforts on agriculture and the manufacture of luxury articles. This necessity is a consequence of the economic laws the force of which I have demonstrated.

New scientific discoveries will no doubt some day replace coal as a source of motive-power. Laboratory researches occupying some ten years of work led me to prove that any portion of matter, e.g. a small fragment of copper, is a colossal reservoir of hitherto unsuspected energy, which I have named "intra-atomic energy."[1] We can

[1] These researches are contained in my book *The Evolution of Matter*, with sixty-eight figures drawn in my laboratory.

hitherto only extract infinitesimal portions of it, but if we ever succeed in dissociating matter readily, the face of the world will be changed. An infinite source of motive-power, and consequently of wealth, being then at man's disposal, the political and social problems of to-day will no longer arise.

While waiting for these probably distant realisations we must live in the present, try and make the best of the little coal we possess and seek the means of completing our production.

As regards the utilisation of coal there is still much progress to be made, since 90 per cent. of the heat produced by its combustion is entirely wasted.

At present the substitutes for coal are few. There are only oil and water-power.

Petrol replaces coal quite advantageously, since one kilogramme of petrol furnishes 11,600 calories, while a kilogramme of coal only furnishes 10,000. All the new British warships burn oil-fuel exclusively.

The employment of petrol, so superior to coal by its ease of transport and use, spreads more and more. During the war it was of supreme importance. Several generals have declared that it was only owing to petrol that they could rapidly transport the munitions and troops which saved Verdun.

The above explains why petrol has played such an important part in English politics. It was in order to seize new sources of petrol that their Eastern wars were waged.

At the present time England possesses most of the oil concessions in Europe, Asia, Africa and part of Mexico.

But sources of petrol are quickly used up, and their total exhaustion is foreseen after a short time.

America calculates that the oil in her own territory will be exhausted in eighteen years. Looking for oil everywhere and always finding England in the way, she concludes that the British Empire wishes to stop the development of the American naval power. This is a menace of future conflict.

As a probable successor of coal and petrol we may quote "white coal," or the motive-power furnished by the water of lakes, waterfalls and glaciers, falling from a higher to a lower level under the influence of gravity.

Some statisticians assure us that the utilisation of all our water-power would produce the equivalent of twenty million tons of coal, which is the approximate amount of our shortage before the war. At present we only utilise two million tons, and, in order to harness the remaining eighteen million would cost so much that the interest on the capital engaged would represent a sum exceeding the cost of foreign purchases of coal.

Let us remark in passing that "white coal" plays already an important social part in some départements. Not being portable, it must be employed in the form of electricity within a short radius from its point of production. Conducted by thin wires, the current feeds small motors which are much less cumbersome than the great machines fed with coal. The result is that in the "white coal" regions, Haute-Loire, Jura, Pyrénées, etc., the small electric motor, so easily employed at home, brings about a revival of home industry and the abandonment of the factory. Here is a beginning of quite a social evolution.

CHAPTER III

THE ECONOMIC SITUATION OF GERMANY

AT the happy age of childhood when the marvellous is not distinguished from reality, nor the possible from the impossible, the chances of reading brought under my eyes the misadventures of an ambitious youngster who had sold his shadow to the Devil in exchange for a series of advantages, the list of which is lost in the mists of my memory.

As I reflected later on this narrative it seemed to contain a deeper sense which was perhaps unknown to its own author. Is it not clear, indeed, that events, personages, codes, and empires are doubled by shadows in which their real power resides ?

These shadows have dominated History. It was not the Roman legionaries but the redoubtable shadow of Rome which ruled the world for centuries. It ruled it until the day when that sovereign shadow was overcome by more powerful shadows. All great civilisations have been thus ruled by shadows.

In our days the shadows fall against the iron walls of economic necessity. Yet this power is still very great. We can realise this by a rapid survey of the economic situation of Germany.

Among the most unforeseen consequences of the

war there is for several nations, notably Germany, the loss of their money.

I have never read the enormous volumes devoted to political economy by respectable professors, but I doubt whether they mention monetary phenomena comparable to those which we have seen ourselves.

In the past, money crises were frequent, and the failures of States numerous. But these phenomena remained transitory. When the depreciated currency had lost all its purchasing power, like the *assignats* at the end of the French Revolution, it was withdrawn from circulation and replaced by another currency. Of course, the "people of independent means" were ruined, but since nobody was ever yet interested in the complaints of impoverished *rentiers* their lamentations raised no echo. New social strata took their place and the world continued on its march.

Matters are much more complex nowadays. Nations deprived of their ordinary money, like the Germans, continued to live merrily and even prosper. Other countries, like the United States, in spite of an enormous surplus of metallic money, find themselves hindered in their trade to such an extent that whole classes of their citizens look misery in the face.

These phenomena, so singular in appearance, become clear as soon as we cease to confound riches with the shadow of riches. We then find, as I have already stated several times, that gold and silver money are goods susceptible of replacement by other goods.

Gold, silver, iron, wool, cotton, can be substituted for each other, as we have seen in studying the natural sources of wealth, and so it signifies little that a country has lost its gold, if it can substitute another means of exchange, such as grain or coal.

The only superiority of gold and silver money is that it is exchangeable in every country, whereas non-metallic goods are only accepted by the nations which are in need of them.

Diverse well-known reasons, which need not be enumerated, have driven nations since the war to create an artificial money consisting of bank-notes which, not being redeemable at will, represent nothing but IOU's without a date of repayment. This shadow of money represents nothing but a shadow of a guarantee: the confidence of the creditor with regard to the borrower. Such confidence is naturally reduced as the years go by and gradually approaches zero, as we see to-day in Germany. If zero is not reached yet, it means that the value of the bank-note, reduced as it is, still represents the shadow of a hope.

All these dissertations on the true nature of money cannot influence the mind unless they are founded upon facts.

Now, these facts are categorical, since they show, as I have already mentioned, that countries overflowing with gold can be in great difficulties while others, who possess none at all, are prosperous.

With regard to the former case of a wealth of gold in reserve, the United States are an example which clearly proves that gold is not real wealth, or at least it does not constitute wealth unless it can circulate and thus become an exchangeable merchandise.

But by reason of the general impoverishment, there are no longer buyers for a great number of things. Those are so much the fewer as the enormous rise in the rates of exchange has trebled the prices for buyers of goods from England and America without, however, the sellers drawing any profit from this increase.

Doubtless the Americans could use all their gold for the purchase of goods abroad, but then their reserves of this metal would soon be exhausted. They would not be renewed, as people buy less and less from them, so they too would soon be without coin.

By its unlimited inflation Germany has obviously lost a valuable medium of exchange, but she possesses others, so her general condition is prosperous. In fact she has never built so many ships and factories as she is doing to-day. Never were her factories, not one of which was touched by the war, so flourishing. Their products, manufactured at a low price, are flooding the world. German shipping is being rapidly reconstituted and will soon surpass ours. In 1922, trading in the port of Hamburg was greater than before the war.

This indubitable prosperity is partly the consequence of theories of finance certainly very different from the old teachings of economists, but which give the following results: (1) German industry is thriving; (2) she has been able to avoid payment of the greater part of her war debts.

All the economists knew long ago that the inflation of paper money soon leads to its total depreciation, but what they did not see, and what the Germans did see, was that if this inflation does lead to ruin it can also, in an industrial country and for a considerable time, constitute wealth, fictitious to be sure, but convertible into real value which is in no way fictitious.

It is thanks precisely to this fictitious wealth, created by the printing of unlimited paper money, that Germany succeeded for four years in constructing railways, factories and ships, and in buying the raw materials necessary for her industries. All the goods which she exported—the manu-

facture of which was paid for in paper—were delivered abroad against American dollars or English pounds sterling.

Therefore, the transaction really amounted to the exchange of paper, having no other real value than the cost of printing, against gold or silver.

Naturally, such artificial transactions could not continue, but while they lasted Germany was able to give her navigation, her factories and her commerce a considerable stimulus.

It would serve no useful purpose to dwell here upon an economic situation which has given rise to so much discussion. I will content myself with drawing attention to the fact that the opinions expressed above have been confirmed by everybody who has recently visited Germany, particularly Professor Blondel, who made a special study of the question. He points out how an economic Germany has been reconstructed quite apart from the Germany which is officially ruined.

In his work the author shows that the great trusts in the chemical, sugar and electrical industries, etc., pay dividends of often more than 50 per cent., and he adds :

> How do the Germans manage, with their exchange apparently so bad, to procure the raw materials which they lack ? The net cost of the goods manufactured being very low, they sell what they manufacture under conditions which allow them to compete successfully with countries where the rate of exchange is high ; but they are careful not to take back into Germany the money gained ; they leave it abroad, invested in concerns which appear to be foreign, but which are, in reality, German—and preferably in those concerns which can help them to procure the raw materials they need. This system enables them to evade, from the point of view of taxation, the new laws which have been passed in Germany. The fortunes which they should be able to reach are for the most part abroad. There are fourteen million Germans in the United States, and with their

help the Germans in Germany have placed a part of their fortune in the New World. There are thousands of Germans who are occupying good positions at every point of vantage in the world. The Government itself recognises that it is impossible to control the fortunes of its nationals which are thus safely out of the way. One of the greatest mistakes which we made in 1918 was in not understanding the necessity of demanding securities at once, and the necessity of organising immediately a control over the production of the factories and over the imports and exports. To-day the Germans show us empty cash-boxes. They have converted their marks into dollars, pounds sterling and Dutch florins.

It may be added to the preceding that one of the causes of the present economic situation in Germany results from their systematic destruction of nearly all the industrial establishments in the north of France. The metallurgical, electrical and mechanical works, and the mines, etc., were destroyed after the Germans had seized all the installations. The extent of the damage can be appreciated when it is taken into consideration that France has already spent 80 milliards in reconstructing only a part of what was destroyed.

The illustrious philosopher Boutroux, author of a well-known book published in my Library of Scientific Philosophy, and whom I reproached for his hesitation in arriving at conclusions, said in reply: "These things generally do not imply conclusions."

He meant by that, no doubt, that a conclusion represents an end, and that the development of events does not cease, so it is generally impossible to come to a definite conclusion.

The hour for concluding the preceding pages has not struck. The nations continue to be led by shadows. But they slowly free themselves from them under the influence of new forces which have become the world's great rulers.

CHAPTER IV

PSYCHOLOGICAL ELEMENTS OF FINANCE

ONLY a few years ago, classical psychology consisted of various theoretical dissertations destitute of any practical interest. Statesmen took for their guide a few empirical rules handed down by tradition and whose insufficiency was frequently manifest.

The war, and all the events which followed it, put psychology in the first rank of useful sciences. How can one govern a country, direct an army, or even a simple factory, if one is ignorant of the art of handling human feelings and passions ?

I have often pointed out that the Germans lost the war through ignoring certain fundamental rules of psychology. It was because he knew these rules that a celebrated field-marshal was able to put an end, in 1917 in France, to a revolutionary movement which had spread through several army corps and threatened to bring the war to a disastrous end.

The Americans had scarcely begun their part in the war when they recognised the great utility of applied psychology, and they issued for the use of the officers a large volume in which were examined all the cases which might crop up in the handling of the troops : how to quell a disturbance, how to rouse the flagging energy of the soldiers, how to call forth enthusiasm, etc.

Our professors do not show the same regard for psychology. I have already observed that, at the *École des Sciences Politiques*, not one of the numerous courses of lectures given is devoted to this subject.

On account of their extreme rarity, books on applied psychology lack neither translators nor purchasers. This was no doubt why my little book, *Lois Psychologiques de l'Évolution des Peuples*, published twenty-five years ago, was translated into many languages, and why eminent statesmen were to be found among its translators.[1]

If I quote from this book in spite of its age, it is because it contains a demonstration of certain psychological principles which are always applicable, not only to the government of men and to the interpretation of history but, as we shall show presently, to daily technical problems such as the imposition of a tax.

As it would not be possible to reprint here all the principles set forth in that book, I shall be content to recall a few of them.

Nations with a long history possess psychological characteristics nearly as stable as their anatomical characteristics.

From these characteristics spring their institutions, their ideas, their literature and their arts.

As the psychological characteristics which go to make up the soul of a people differ very much from one country to another, so the various nations feel, reason and react in quite different ways in similar circumstances.

[1] The translation into Arabic was done by Fathy Pasha, then Minister of Justice at Cairo; the Japanese translation by Baron Motono, Minister for Foreign Affairs in Japan; and the Turkish by Dr. A. Djevdet Bey, Director of Public Sanitation in Turkey. The former President of the United States, Mr. Roosevelt, often said that this little book never left him.

In spite of so many appearances to the contrary, institutions, beliefs, languages and arts cannot be transmitted from one country to another without undergoing great changes.

There is a great similarity between all the individuals of an inferior race. In the superior races, on the contrary, they tend to differ more and more with the progress of civilisation. The movement of civilised mankind is therefore not towards equality, but towards a growing inequality. Equality is the communism of the primitive ages, differentiation is progress.

The level of a people on the ladder of civilisation is indicated mainly by the number of superior intellects that it possesses.

These fundamental laws, I say it once more, are applicable to all the elements of social and political life. To give a concrete example, let us consider a well-defined case, namely, the imposition of an acceptable income tax.

Obviously, a tax is always a disagreeable thing, but it becomes impracticable when it is contrary to the mentality of the people on whom it is to be imposed.

Among people who are well-disciplined and respectful of the law, the English and the Germans, for example, every citizen can be required to furnish a declaration of income, and its verification by a tax-collector will be accepted with docility.

It will be quite another thing with an individualist people who will not put up with any enquiry into their private life. The tax would never be tolerated by them unless it was founded on simply external appearances (rent, the number of servants, etc.), which would not entail any investigation into their private life.

We shall see that these fundamental principles are entirely misunderstood to-day.

The national debt of France, which was 28 milliards in 1914, has risen to 328 milliards in 1922, while the annual revenue from all taxation barely reaches 23 milliards, a sum which will soon be scarcely sufficient to pay the interest on our debt. How can we deal with such a situation ?

All our Ministers of Finance have tried to solve this insoluble problem. They can hardly increase taxation still further, so they try to increase its yield.

It was with this object that our Minister of Finance, M. de Lasteyrie, proposed to Parliament, on the advice of his permanent officials, a series of vexatious measures which would soon have brought about a general flight of capital.

With a view to explaining verbally to the eminent Minister the psychological objections to such a course which would make the proposed measures both dangerous and ineffective, I invited him to the weekly lunch which I inaugurated at one time with Professor Dastre, and where the most eminent men of each profession came to discuss their ideas.

The Minister was kind enough to respond to this invitation, but being indisposed I was unable to attend, so I explained my objections in a letter of which the following is an extract :

> You are naturally desirous of increasing the yield of the tax on incomes. But, for a slight and problematical increase, you propose a fiscal inquisition so vexatious and so complicated that it will be bound to exasperate the tax-payers and create many enemies of the Government.
>
> A tax on income based on external appearances, even if higher than it is at present, would be much better received than a tax based on declarations implying verification by Government officials.
>
> It is easy, at least in very many cases, to know what coefficient to apply to certain exterior signs of wealth, rent, servants, etc.,

so that the income tax might become, without causing any annoyance, equal to, or even greater than it is now.

I therefore suggest to you the following research:

Take at haphazard, in various localities, the cases of a hundred tax-payers, ascertain what they pay now, and find out at what rate it would be necessary to tax them according to their rent and other external appearances, in order to arrive at an amount exactly equal to or even greater than the amount they now pay.

These factors being determined, nothing would be easier than to impose a tax on income apart from any fiscal inquisition, which everyone would accept without recrimination.

The Minister was so kind as to reply that "he was going to give the most serious attention to my suggestions," but in face of the opposition of the socialists in the House he was only able to adopt a part of them.

Our lunch being above all an occasion for discussion, I there submitted the foregoing ideas for criticism.

Their psychological accuracy was not disputed, but it was easily shown that my project had no chance whatever of being adopted as a whole for two reasons, psychologically detestable, but politically very sound.

The first was the intense hostility which it would rouse among socialists.

The second, stronger, although even less good, was that a tax levied automatically according to indisputable exterior signs would deprive the committees and prefects who, organising the elections, in reality govern France, of a very efficacious means of action. A fiscal inquisition, such as the socialists would like to institute, is comparable to an irresistible thumbscrew. For friends it would be greatly loosened, but it would be vigorously tightened for the enemy.

The political value of these arguments is indis-

putable. Let us not forget, however, that it was often through the application of measures too contrary to the mentality of a people that political régimes perished. This mentality forms a part of the forces which govern the world and which institutions and laws cannot change.

CHAPTER V

FUNDAMENTAL PRINCIPLES OF POLITICAL ECONOMY

THE destiny of nations is governed by psychological influences and economic necessities. The former engender the ideas and beliefs which regulate conduct. The latter fix the material conditions of existence.

These great economic and psychological laws are inflexible, and their violation is always expiated.

Political economy comprises a mass of material, such as capital, labour, property, savings, etc., the exposition of which generally takes up large volumes.

Their authors are dominated by theories on which agreement seems impossible. Free Traders, Protectionists, Interventionists, etc., have quarrelled for a long time without ever converting each other.

In the present state of our knowledge, and taking stock of the lessons taught by the war, the fundamental principles of political economy may, I believe, be summarised in the following propositions :

(1) The wealth of a nation depends mainly upon its rate of production and the rapidity of disposal of its products.

(2) A product cannot be usefully exported unless its sale price is below that of foreign competitors. It follows that methods of manufacture, division of

labour, and abundance of working capital play a preponderant part in the matter of export.

(3) Activity of circulation by land and sea may by itself become a source of wealth. Small and non-producing countries like Holland have been enriched simply by the transport of goods which they do not manufacture.

(4) Since goods can only be paid for by other goods, a country importing more than it exports must have recourse to credit. A continuation of imports in excess of exports leads to ruin unless the nation possesses, like France before the war, a large reserve of mobile values deposited abroad and bearing interest.

(5) State production, i.e. socialisation and State monopoly substituted for private enterprise, leads invariably to a fall in production and an enormous increase in cost price. This result can be predicted on psychological grounds, and has been abundantly verified by experience.

(6) Apart from its value as a standard, metallic money represents simply a merchandise of definite weight, exchangeable against other merchandise, which, if necessary, can itself serve as money. It follows that a people can be in a prosperous situation without possessing any metallic currency.

(7) Fiduciary money consisting of bank-notes only retains its value if it is exchangeable within a short time for metallic currency or merchandise. The prolongation of the compulsory circulation of paper money rapidly reduces its purchasing power.

(8) The sale price of an article being automatically determined by the relation between demand and supply, no law can fix its amount. The only possible result of such fixation is to increase its rarity, which leads to clandestine selling at prices

above those which provoked the attempt at fixation.

(9) Protectionism and Free Trade correspond to different phases of the industrial vitality of the same country. With a feeble vitality, protection is useful, though it is costly and handicaps the progress of the industries protected with regard to foreign competition.

(10) The style of living of a working man does not depend upon the amount of his wages so much as upon their purchasing power. In countries where production is inferior to consumption, every increase in wages is followed by a rise in the price of the articles of consumption, in a proportion higher than the rise in wages. In a nation which produces insufficiently, the style of living of a workman diminishes as his wages rise.

(11) A reduction in the working hours in an impoverished country, where production is below requirements, increases its poverty and raises the cost of living.

(12) When, under the influence of great catastrophes, the political, religious, and social beliefs which formed the mental armament of a people are enfeebled, they are soon replaced by new aspirations beyond any possibility of realisation.

(13) A people ignorant of the part played by economic necessities is dominated by mystical or sentimental illusions divorced from reality and leading to profound upheavals.

These brief truths will probably not teach anybody anything, but it is useful to formulate them. They are thoughts which resemble grains of seed blown by the wind and sometimes perhaps will germinate on the barren rock.

BOOK V

THE NEW COLLECTIVE POWERS

CHAPTER I

MYSTICAL ILLUSIONS CONCERNING THE POWER OF ASSEMBLIES

"COMMON sense," says Descartes in the beginning of his famous *Discourse on Method*, "is the most fairly distributed thing in the world. For everybody thinks he is so well provided with it that even those who are most dissatisfied with other things are not in the habit of desiring more of it than they have got." "This shows," adds the great philosopher, "that the power of judging fairly and distinguishing the true from the false, or what is called common sense or reason, is naturally equal among all men."

Unless Descartes's opinion is simply ironical, such optimism is difficult to explain. It seems clear enough in fact that so far from being "the most fairly distributed thing in the world" common sense is indeed the rarest.

Everyone obviously possesses sufficient common sense to exercise a calling, or what we might call professional common sense. It is not at all the same with general common sense which in the varying circumstances of life shows the working of causes and determines conduct.

Is aggregate or collective common sense surer than individual common sense? In spite of a universal prejudice to the contrary, it is even more rare. Thousands of examples, among which we

might reckon the conferences preceding and following the war, show how rare is collective common sense even in assemblies of the *élite*.

In spite of practical proofs of this last truth, the mystical belief in a collective intelligence is such that during the war, as in peace, statesmen always submitted the most difficult problems to assemblies for solution.

They solved none. The fourteen conferences assembled since the cessation of hostilities have only served to show the low value of collective intelligence.

Vague speeches on the brotherhood of nations and the benefits of peace were delivered and warmly applauded. No effective solution resulted from them.

Among the vain conferences alluded to one must not reckon those which resulted in the Treaty of Peace. Though due to the collaboration of numerous authors, that treaty does not really constitute a collective piece of work. The assembly only intervened in order to formulate in obscure terms a draft based upon chimerical principles and interests whose origin was not at first understood.

Those principles were, indeed, sometimes contradictory. Those of President Wilson were rooted in humanitarian dreams of the happiness of the human race.

Those of Mr. Lloyd George, the real author of the Treaty, were very different. His essential aims were the territorial expansion of England, the foundation of a British hegemony, the search for means to prevent France from becoming too strong before an enfeebled Germany. This last preoccupation prevented him from favouring the disintegration of Germany, which was at that time

setting in spontaneously and which would have resulted in a prolonged peace.

Such an example shows clearly the actual *rôle* of congresses. They serve mainly to confer the authority of numbers upon the decisions of individuals strong enough to impose their will. The collective mind thus only serves to fortify the individual.

I could not attempt to develop this subject which I have treated at length elsewhere. The *savants* who wish to write books on psychology less empty than those which satisfy our classical teaching and requirements need only study the events which have happened since the beginning of the war. Never has a more fruitful mine offered itself to observers.

An important chapter of these books of the future would be devoted to the persistence of illusions even among the assumed superiorities of collective wisdom.

All politicians, especially English ones, remain actually convinced of the efficacy of collective discussions—though these nearly lost us the war—for solving problems whose solution escaped isolated individuals. During four years of warfare, conferences and councils of war multiplied indefinitely without any result but useless battles. It was only when the members found themselves on the edge of the abyss that they temporarily renounced their illusions regarding the intellectual power of assemblies. Individual command then took the place of collective commands, and victory changed camps.

Similar experiences have been accumulating in Russia for several years. The theorists who brought the country to ruin were sure also that the assemblies styled soviets would transform their

country into a paradise. They made it into a hell.

One of the interesting characteristics of collective discussions is that important questions are generally put aside by orators. This fact, discovered in most of the peace conferences, was particularly glaring in those of Washington and of Lausanne.

During the Washington Conference, the problem which obsessed all minds, that of the right claimed by Japan to establish her nationals in the United States, was not even touched upon. During the Lausanne Conference, none of the orators present, especially not those of Turkey and Great Britain, said one word of the things which really occupied their minds.

In spite of all these evidences, the present age sees itself ruled more and more by the collective mind. As soon as a difficult question crops up, our Governments appoint a commission to solve it, which soon divides itself into sub-commissions. These divide up the question into minute fragments and elaborate average solutions susceptible of the most contradictory interpretations.

In thus abandoning themselves to collective decisions, modern statesmen only obey one of the great tendencies of modern times.

Collective direction and individualist direction represent two principles in conflict, neither of which can triumph for the simple reason that one cannot exist without the other.

Modern evolution has, of course, led us more and more towards collective work. The factory, the mine, the railway, the army, even diplomacy, are all collective enterprises, which, however, can only prosper on condition of being directed by sufficiently able individuals.

This necessity of sole direction is the result of

psychological principles which cannot be evaded. I have expounded them elsewhere and need not recur to them. They explain the lack of success of conferences and State-controlled enterprises as well as that of the army so long as they were under collective control.

Neither socialism, nor collectivism, nor radicalism, nor indeed the majority of political parties want to pay any attention to these fundamental principles. Only future experience will teach them that human nature is the heritage of a long Past and will not change in accordance with our wishes.

CHAPTER II

RESULTS OBTAINABLE BY COLLECTIVE DELIBERATION: THE GENEVA CONGRESS

WE have just shown that a congress or any other assembly of the kind is powerless to solve the problems placed before it. We are now going to see that very often the results obtained are quite different from those desired.

This phenomenon occurred often during the numerous conferences held in various capitals of Europe since the beginning of the peace. Most of these, notably the Geneva Conference, were inspired by that subtle Minister, Mr. Lloyd George, who at that time presided over the destiny of England.

The acknowledged aim of the Conference of Geneva was the economic restoration of Europe and the establishment of a lasting peace.

It was not welcomed with much enthusiasm, however, by the Powers represented. All knew the interest which England, whose very existence depends on her exports, had in creating new markets for her goods; but not one among them understood how an assembly as heterogeneous as that which built the Tower of Babel would be qualified to discover a means of restoration when the most clever experts had failed.

In fact, the causes of the economic anarchy in Europe, which the delegates to Geneva were to

explain, were so obvious that there was really no need for any fresh light to make them evident. They can be summed up as follows :

Before the war, the progress in industrial technique and the facility of transport had led each nation to specialise in the manufacture of certain products, and they lived by the exchange of these products. The different nations formed a fairly well-balanced economic group.

Not only is this balance upset to-day, but the atmosphere of hatred and mistrust which weighs upon the world leads nations to surround themselves with customs barriers under the pretext of protecting their national industries. Moreover, they are so well protected that in many countries there is a practically unsaleable surplus production, such as iron in France, for example.

All these facts being known, the various delegations were only able to repeat what they all knew long before. Was it in the power of a congress to find a remedy, or even to alter by a fraction the current exchange in any country ?

The Geneva Conference did not succeed in finding a solution to the great general questions, and it evinced the same impotence with regard to particular questions, especially that of the Russian petroleum mines which have been seized by the Bolshevists.

It is asserted that it was this question of petrol, so important for England, which led her to call for the Conference at Geneva. However, she rather exaggerated the oil-producing power of Russia. While before the war the production of the United States reached 39 million tons, Russia produced barely 9 million. The production of the other neighbouring countries, Poland, Rumania, etc., is relatively insignificant.

While the annual production of petrol in the

whole world barely exceeds 100 million tons, the output of coal is 300 million.

This liquid is so valuable in a multitude of ways that one can understand the efforts made by England to get hold of the principal world sources. In twenty years she has succeeded in becoming mistress of all the important petrol sources of supply in the world excepting those of the United States. To-day, England can compete with the colossal American concern, the Standard Oil Company, whose revenue exceeds that of many countries. The other Companies are Anglo-Dutch, and combined in one great trust comprising, notably, the Royal Dutch, the Mexican Eagle, and the Shell Company, etc. This combine is falling more and more under British domination.

These facts, which seem to lead us away from the subject of this chapter, must, however, be recalled in order to show to what extent the hidden aims of a conference can differ from those given out.

For a few days, in truth a very short time, the English Prime Minister retained his mastery over the assembly, but the various hatreds and the battles of conflicting interests soon made his efforts useless. Finally, the direction of the Conference passed from English hands into those of the Russian extremists according to an unchanging law of political assemblies.

> Certainly (wrote the *Journal de Genève*), the Bolshevist delegates did not hope for so much when they crept across Europe, fearful of meeting one of their victims and anxious as to the welcome awaiting them.

If the Geneva Conference miscarried even more than its predecessors, it was because, in addition to the usual powerlessness of these gatherings, there

was the influence of mystical forces which have a very powerful effect on such assemblies, but of which Mr. Lloyd George, the instigator of this Conference, never understood the significance.

I have already recalled how, as a consequence of attacking Islam, a formidable mystic power, the British Empire lost in a few months Egypt, Persia and Mesopotamia, and is witnessing at the present time grave disturbance in the Indian Empire.

At Geneva, the same Minister came up against another mystical force, communism, a new religion with supreme power over the souls of its believers.

To obtain the capital which they needed so desperately, the Russian delegates would have willingly abandoned the exploitation of the petroleum mines, which they do not turn to any account, and would have signed all the agreements, since a promise made to unbelievers is not binding upon the faithful. But to renounce publicly the fundamental principles of their faith by admitting the right of private property was impossible. Such a surrender was immediately disclaimed by their co-religionists.

The English would have been able to console themselves easily for the refusal of the Bolshevists by considering the fact that their greatest concessions could not have modified very much the economic crisis which they are undergoing " since, in the years preceding the war, less than 3 per cent. of the foreign trade of England was conducted with Russia."

Still confident of the illusory power of conferences, Mr. Lloyd George proposed to get the delegates of the Powers at Geneva to sign a " non-aggression pact," which he looked upon, no doubt, as a sort of small change capable of deluding his allies. I still wonder what the author of such a project could

have been thinking of. Could he truly suppose that there existed in the world any statesman so simple-minded as to believe in the efficacy of such a pact? An agreement of that kind would never prevent a sudden aggression, as the aggressor could always justify himself by stating that his territory had been bombarded by aeroplanes analogous to those of Nuremberg which served Germany as a pretext to declare war on us in 1914.

Besides, it seems obvious that the Russians would never have signed the pact proposed. The melancholy Jew who, sword in one hand and Judæo-Communist Bible in the other, directed the massacres and plunderings of the Red army, caused it to be loudly proclaimed at Geneva that his troops would invade Europe in the hope of intimidating the members of the Conference. Confident of the influence which fear and threats can exert on the mind of an assembly, the Russian delegates conveyed in their speeches, very thinly disguised, the following alternative: Money, or an invasion.

The arrogance and clumsiness of the Bolshevist group spared the English statesmen the shame of appearing to be influenced by such proposals. Mr. Lloyd George himself withdrew and the Conference ended, like the others which preceded it, by a fresh demonstration of the utter powerlessness of collectivities to solve a problem, especially when the members of the congress represent different interests.

CHAPTER III

THE GREAT PARLIAMENTARY AGGREGATIONS

ALL modern Governments are headed by aggregates called Parliaments. They do not indeed represent the best of all possible Governments, but they are almost the only acceptable form of government at present. Triumphant democracies have always oscillated between dictatorship and the domination of numbers.

The Parliaments possess the characteristics of collectivities, their mobility, their indecision, their violence, and they obey those mystic formulæ whose influence over the multitude has always been so great.

One of the characteristics of modern Parliaments is the expansion of their extremist parties, socialism, communism, etc. Our Parliament does not sensibly differ in this point from other European assemblies. It also contains a certain number of conservatives and a minority of extremists, revolutionary socialists, internationalists and the like.

As always happens, these extreme parties have more and more rallied to themselves the old parties formerly considered advanced, notably the Radicals.

Their projects grow more revolutionary every day. One of the members of this group formulated them briefly in the following terms : " To expropriate the individual and deprive him, for purposes

of socialisation, of the means of production which he detains."

As regards income tax, the same Deputy expressed himself as follows: "The more vexatious and inquisitorial the tax, the better will it serve the purposes of collectivism."

These avowals are most illuminating. The socialists know very well that the ruin of the industrial and commercial classes necessarily entails that of the other classes, but that is just the object aimed at in order to bring about a revolution which they imagine would turn to their profit.

Revolutionary in their purpose, these apostles of a new faith are much less revolutionary in their thought. They cannot always control their words, but their actions are controlled by masters whom they fear. Cast in a solid hierarchy, they accept with fear and trembling the programmes imposed by the chiefs of French or Muscovite committees who know the art of making themselves obeyed.

These new apostles are of divers origins. Some of them came to revolutionary socialism because it seemed to offer a career for the future. Some are convinced of the real value of the new faith. These are generally mystics whose political conceptions are cast in the mould of a religious belief. Words and formulæ have for them a magic power. They have it on good authority that a few imperious decrees will make Happiness reign here below.

Taken as a whole, they constitute a mass which is apparently in revolt, but docile in reality. Their gregarious soul is easily manipulated by their bosses. Their feeble personality is enveloped in powerful collective influences.

The revolutionary socialists are particularly dangerous on account of the fear which they inspire. The timid always give way before the

violent. The history of our great revolutionary assemblies has constantly verified this law. The Mountain in our great Revolution long terrorised the Plain, though the latter was three times as numerous. The very eve of the day when Robespierre fell he was warmly applauded by colleagues who, a few hours later, were to send him to the scaffold.

It is on account of these very simple psychological reasons that the socialists absorb more and more the old Radical party. The feebleness of the latter is great because its convictions are uncertain. It follows the socialists as the Plain followed Robespierre, for fear of the guillotine, which, however, it could not escape in the end.

It is very striking to witness how much the influence of fear has increased in our Parliamentary assemblies. Ministers no longer act according to their own wishes, but according to the errors which are forced upon them. They have long ago given up having personal opinions, not to speak of defending them.

What modern leaders mostly lack is not intelligence but character. Instead of trying to enlighten and direct opinion they allow themselves to be taken in tow. Opinion to them means the will of a few sectaries or obscure committees which derive their apparent force from violence.

Socialists certainly have no more character than their adversaries, but the habit of obeying despotic bosses give them the power which is always possessed by a disciplined troop.

Speaking generally, an assembly is not either very good or very bad. It is what its bosses make it. Hence a strong and pertinacious will can always master an assembly.

The problem of every new assembly is whether

from the floating crowd of its members there will emerge some men of tenacious purpose capable of sustained effort and possessing sufficient judgment to distinguish possibilities from chimeras.

Round such leaders hesitating opinions quickly group themselves. Since the beginning of humanity and in the whole course of history men have never revolted for a long time. Their secret desire was always to be governed.

The leaders who say what they want quickly acquire authority and prestige, the necessary bases of a durable power. They easily collect a majority which obeys some fundamental guiding ideas instead of being swayed by every momentary current which agitates the minds of men whose mentality is without orientation. Assemblies have the uncertain mind of crowds and range themselves behind the chief who clearly shows them the way.

The great questions arising in Parliament can only be solved with a majority strongly grouped about a statesman capable of directing it, and not with a chance majority which the same week may see born and disappear.

All the other means suggested, including the building of new constitutions, only represent vain talk. The English have not changed their constitution since Queen Anne, and have, indeed, never had a definitely formulated constitution.

It is the unchanging faith of the Latin nations in the supernatural power of formulæ which makes them change constitutions so often. These changes have, however, never had any effect.

Institutions have no virtue. Souls are not made new by them. No people can have a government better than itself. Uncertain minds always make uncertain governments.

The most dangerous and unfortunately the most

prevalent of Latin errors is to believe that societies can reconstruct themselves by law. It is the universality of this error which gives to Socialism its main force.

Whatever the ambitions and dreams of the politicians, the world proceeds apart from them and more and more without them. *Savants*, artists, industrial leaders, agriculturists, i.e. the people who represent the power and wealth of a nation, only ask from politicians to be left alone. Revolutionary theorisers are incapable of creating anything, but they can destroy. The world has often been a victim of their aberrations. Under their evil influence many countries, since the time of ancient Greece, have fallen into ruin and servitude.

CHAPTER IV

THE EVOLUTION OF COLLECTIVITIES TOWARDS DIVERSE FORMS OF DESPOTISM

THE last strike on the Belgian railways and analogous movements in France, England, and other countries indicate the new aspirations of the people.

Several of these strikes resulted, indeed, not from disputes about wages, but from the political claims of the working classes. The new formulæ: The Mines for the Miners, the Railways for the Railway Men, the Dictatorship of the Proletariate, etc., show the new conceptions of the proletariate very clearly.

It is obvious to-day that the nations, and also their Governments, are evolving towards new forms of dictatorship. Apparently collective, they are always in reality individualist. Even among the most advanced socialists, like the Russian communists, a collective government, we must always remember, represents the dictatorship of a few bosses.

These despotisms are always easily accepted by the multitude because they have never learnt to understand any other form of government. Their shop stewards, for instance, are small potentates who are as easily obeyed as the ancient Asiatic despots: the servants of these modern despots have

the illusion of being the masters, and this illusion suffices them.

To-day, therefore, the workman aspires not only to a constant rise in wages, but particularly to the overthrow of so-called capitalistic society, which would be replaced by a dictatorship working towards his own profit.

The working classes also believe that they can establish a universal peace by approaching the workers of all countries. But in their dream they forget that according to the invariable lessons of History, popular Governments have always been more warlike than monarchical Governments.

The superficial internationalism of the working classes conflicts also with the new development of nationalism in all countries. Separated by their hatreds and their interests, the nations surround themselves by military and customs barriers which grow higher and higher. In the republican device inscribed on our walls, Fraternity still holds a place. It has long ago faded from the hearts.

The causes of the new popular aspirations are various. As I cannot study them all here, I shall only remark that they have been strengthened by the total impotence of the governing Powers to stop a disastrous war and afterwards to obtain a peace capable of avoiding new conflicts.

A Government, no matter what it is, can only maintain itself by the prestige engendered by success. It is enfeebled, and then it disappears, with its vanishing prestige.

Prestige disappears under various influences, notably a military defeat. The fall can then be instantaneous. This was the case of the Empire in France after Sedan, and of Russian Tsarism after its defeats, as well as all the German monarchies after the German disasters.

Such a phenomenon is very natural. We can understand that the catastrophes of which a people is the victim lead it to revolt against its leaders who could not save them.

The victorious Government, on the other hand, sees its prestige grow, as long as its victory is a real one. Now although our victory was a real one, its consequences do not appear to be brilliant. Victorious France is more impoverished than Germany, which never was ravaged. She has obtained no indemnity and finds herself obliged to execute her own reparations, which already amount to 80 milliards.

Enlightened Germans themselves recognise that their situation is financially better than that of France.

> From the financial point of view (writes the German Parvus), our situation is not worse, but rather better, than that of the victorious States. The latter have imposed enormous contributions on us, but they have also imposed enormous armaments on themselves. The contributions are, however, limited, whereas armaments know no limits, and have a tendency to expand more and more. Besides, we save some 500,000 men per annum, who, instead of being in barracks, are employed in industry where they can annually create at least two milliards of gold-marks' worth of new values.

Abandoned, first by America, and then by England, France feels her isolation more keenly every day and its consequent dangers, especially that of a new invasion.

Her situation with regard to her ancient Allies is not more satisfactory. An English writer whom we cannot regard as a friend, Mr. Keynes, puts it as follows :

> France, though victorious, must pay to her Allies more than four times the indemnity which, after her defeat in 1870, she had to pay to Germany. The hand of Bismarck was light in comparison with that of her Allies.

The general discontent is, therefore, somewhat justified, and it enhances the aspirations of the working classes towards dictatorship. Yet we may remark that those classes, whose claims are voiced so loudly, have not suffered financially by the war.

On the contrary, they have seen their situation much ameliorated, whereas the old bourgeoisie has lost heavily. A few figures will show this.

The workman and employee earns four or five times more now than he did before the war, whereas the professions have only seen their revenues increase by about one-third. Certain picked workmen, like printers' proof readers, for instance, are able to earn forty francs per day.

For investors who live on interest furnished by the State, by commerce and industry, the situation has become quite precarious. Let us take the case of a *rentier* who, after an active life of manual or intellectual work, retires about his sixtieth year with six thousand francs of annual interest, not to speak of the better situated. In the hope of being sure of the morrow, he has invested his capital in Government securities, in railways, and the like.

From these "gilt-edged securities" he will still derive the same revenue; but since the fiduciary money in which it is paid has lost two-thirds of its purchasing power, it is just as if he had been deprived of two-thirds of his revenue. His income of six thousand francs has practically shrunk to two thousand francs.

The workman knows no such reductions. His wages increase almost automatically as soon as the purchasing power of the currency in which it is paid falls in value.

These considerations have led us far away from the fundamental subject of this chapter: the

evolution of political powers towards various forms of dictatorship.

After indicating this evolution in the lower classes, we may find it also in the political class charged with the government of nations.

These evolutions have been preceded by a complete disintegration of the older political parties. They have all assumed that look of antiquity which presages the end of things.

Radicals, United Socialists, Royalists, even Communists, and many others, speak a worn-out language which awakens no echo in the minds of the people.

The questions which were passionately debated but yesterday and which they wanted to revive are treated with indifference in the presence of to-day's realities. Who is interested nowadays in the struggle against clericalism, the lay management of hospitals and schools, the expulsion of the clerical orders, the separation of Church and State, etc. ?

The old political parties of other nations are in the same state of decadence. The old English political movements, for instance, become more and more impossible. What has become of the doctrine of "splendid isolation," the claim to "rule the waves," the domination of the East, and so on ?

But ideas and gods do not perish in a day. Before going down to the grave, they struggle for a long time.

Hence we see the older parties in all countries striving to regain their prestige by grafting new ideas—and often the most extreme ones—on their old doctrines.

While the political parties are debating, the Governments are obliged to act. In view of

the slowness and impotence of collective action the Prime Ministers of the various countries have become veritable potentates. The other Ministers, formerly their equals, are now but subordinates carrying out the orders of their master.

This absolute power, which was born during the war, differs from the old autocracies in one particular only. The autocrat of the old days could only be deposed by a revolution, while the modern autocrat can be deposed by a vote. Thus Mr. Lloyd George, after dictatorially governing England and also to some extent Europe for several years, was deposed by a simple vote, as a result of his disastrous Eastern policy.

Up to now the Premiers have bowed before the votes of Parliaments which deposed them. But a new evolution, already commenced in Italy, can be seen to emerge. The Prime Minister's disdain for Parliamentary votes, resulting from the triumph of Fascism, seems to show that the overthrow of Ministers will not always be as easy as it has been.

The interests of the nations are so intertwined that absolutism, which grows within the countries, declines more and more abroad. To settle questions of joint interest, attempts at collective government have had to be made : congresses, conferences, delegations, Leagues of Nations, etc. They increase day by day, but the results have not been of much value.

The most famous of these collective powers is the League of Nations, of which we shall speak in detail soon. Its present influence is almost zero, but it is clear that as soon as it acquires a real authority, i.e. the means of making its decisions respected, the world will find itself ruled by an absolute super-government.

It is just because they clearly perceived this evidence, which escaped European statesmen, that

the United States have, as already mentioned, categorically refused to join the League of Nations. It seemed to them intolerable that a great people should be forced to obey the decisions of a foreign assembly.

Of all the forms of depotism with which the world is threatened, the most intolerable would surely be that of triumphant socialism. It would plunge the countries under the sway of its laws into hopeless misery.

After having ruined Russia and ravaged Germany and Hungary for several months, it threatened the social life of Italy, who, however, freed herself by the violent reaction of Fascism.

Fortunately, France is one of the countries which are least exposed to the realisation of socialist doctrines, thanks to the agricultural population, which forms the element of stability.

The French peasant has become the main provider of real wealth. It matters little to him that the franc loses two-thirds of its purchasing power or even more. His agricultural products, his grain, his sugar, his cattle, etc., constitute a means of exchange whose value does not diminish and which the depreciation of paper money cannot touch.

The rural population has grown very rich during the war, and only wishes to keep the territory it has acquired. They want nobody, but everybody has need of them.

This class has remained during the peace, as it was in the war, the veritable armature of societies agitated by greedy adventurers and hallucinated chimera-hunters. It constitutes one of the nuclei of resistance to popular dictatorships which have already caused such ravages in Europe.

CHAPTER V

ILLUSIONS CONCERNING THE LEAGUE OF NATIONS

THE history of the illusions of which former nations have been the victims would fill a big volume. Those which dominate modern times would fill an even bigger volume.

At no former epoch, indeed, even at the simple-minded epoch of the Crusades, has the world been influenced as it is to-day by mystical illusions and the formulæ derived from them.

It would be difficult, for example, to lose sight of the fact that among the essential causes of the Great War the front rank was largely taken up by the mystical illusion of a people convinced that the will of heaven and its ethnical superiority marked it out to rule the universe.

The peace which terminated that mystical epic saw the birth of other and equally fatal illusions. They upset Europe at present and threaten it with wars much more destructive than the conflicts from which the world has just escaped.

Modern science joins continents and transmits thought to a distance with lightning speed. But it lacks the power to dissipate the illusions which blind mankind.

Among these illusions are those upon which the League of Nations is based.

If durable institutions could have been founded

by the will of a man and the consent of nations, the League of Nations would have imposed itself in a definite manner.

The creator of the League was, as a matter of fact, the head of a State whom circumstances had endowed with absolute power. His project, which renewed similar projects of the Past, was received with enthusiasm by the nations which hoped to reach a perpetual peace through it. Of all the countries on earth, America was the only one to reject the gift offered to the world by one of her sons. The surprise of Europe was great, but its faith continued undimmed until the day when it encountered the walls of experience.

Very few years have gone by since the League of Nations arose on an apparently indestructible foundation. To-day the disillusion is as great as the hopes had been high. Its impotence has turned out to be complete on all questions.

None of its counsels were listened to except its decision with regard to the partition of Upper Silesia. Apart from that case, which was exceptional because the parties accepted in advance without discussion the solution formulated, all the other decisions of the League of Nations were rejected by the parties concerned.

The first dispute which was discussed by it was that brought before it by Bolivia against Chile.

The Chilian representative refused to recognise the competence of the League of Nations, adding ironically that if it attempted to remodel the map of the world, "this organism, created to consolidate peace, would end by bringing about universal war." The same representative denied the right of the League of Nations to interfere in the affairs of America.

The League modestly accepted the rebuff, and

to save appearances it nominated a committee to define its powers.

The Poles were no less categorical. With contemptuous nonchalance the Polish Diet declared with regard to the Vilna decision that " Poland will never assent to the solution adopted by the League of Nations."

To give some force to its decisions, which nobody respected, the League of Nations proposed to give itself power to establish an economic blockade against the States which refused to obey.

It was an empty threat. Such a blockade would in effect require the very improbable consent of the forty States represented, in order to be declared. And we know that Napoleon, though all-powerful, did not succeed in maintaining such a blockade against England.

The Italian representative observed rightly that that blockade weapon could not be used on account of the necessity " to respect the autonomy of the various States." It is clear that unless it renounced its independence, no State could bow before the decisions of a sort of foreign super-government.

If the impotence of the League of Nations is complete it is because it has no means of enforcing respect for its decisions. All religious and social codes without exception rest upon the fundamental elements of punishment and reward, Heaven and Hell.

The decisions of the League of Nations, representing as they do a code without penalties, remain without force. Could it conceivably be provided with an army capable of enforcing its decrees ? Such an army would not be effective unless it were numerous, and therefore costly. And being composed of soldiers of every country it would lack cohesion and would inspire no fear.

To say that a code without "sanctions," i.e. without compulsion, will never be respected, amounts to saying that force being the necessary armature of the law, there is no law without force.

This truth, which the childish phraseology of the moralists vainly endeavours to obscure, is recognised by all jurists who have delved in the foundations of their science.

In his recent book *Les Constantes du Droit*, the great Belgian jurist Edmond Picard insists at length on the fact that "the element of compulsion is a fundamental part of law," and adds:

"The formula that force cannot create law is only a simple-minded cry of a generous juridical ignorance."

Whether a force is moral or material does not signify so long as it can be applied. If Pope Gregory VII was once able to force a mighty German emperor to attend as a supplicant before his cathedral in Canossa, it was because, in the eyes of the Emperor, the Pope had all the forces of Heaven and Hell at his disposal. Endowed with such powers, the Pontiff appeared invincible.

Prestige can thus become a moral force superior to material forces. If the League of Nations eventually, at an epoch which cannot yet be foreseen, were to acquire sufficient prestige its influence would be a reality. At present it is absolutely zero.

It is useless to discuss the future of the League of Nations. The existing hatreds between nations are too lively, and the interests separating them too contradictory, for an international tribunal to be able to avert any conflict.

The League decisions will not prevent Egypt, Turkey, and India from forcibly claiming their independence as soon as they are strong enough

to make themselves heard. Nor is it such a tribunal which will prevent over-populated Japan from demanding the free entry of her people into United States territory.

Nobody can believe that a League of Nations can liquidate the difficulties which we see arising between States, or suppress all the causes of conflict.

The old defenders of the League of Nations have quickly lost their confidence. I shall prove this by quoting from *Le Temps*, which was at one time one of its most ardent advocates :

> Is the League of Nations able to prevent or stop a war ? Let experience answer.
>
> In 1920, the Russian Bolshevists nearly took Warsaw. The League of Nations took care not to intervene.
>
> In 1921, the Greeks made war on Turkey. The League of Nations carefully abstained from interference.
>
> It did attempt to regulate the case of Vilna. But the Lithuanian Government coldly refused the solution approved by the Council of the League.
>
> That is the sort of authority possessed by the League of Nations when it is a matter of preventing bloodshed.

The members of the League of Nations, desirous of enhancing their prestige, and convinced of the utility of their functions, have voted princely emoluments to themselves and to the crowd of their *protégés*. In M. Noblemaire's report we see that the secretaries receive an annual salary of 250,000 francs. The under-secretaries are satisfied with 200,000 francs. The chiefs of sections, among whom we find a well-known socialist, receive 300,000 francs. Modest employees receive the salaries of a Marshal of France.

This royally endowed staff has been recruited from everywhere, according to the weight of

recommendations. We find a minor professor of a secondary school and a modest journalistic correspondent, and so on.

The officials of the League of Nations are not, indeed, the only ones to enjoy extravagant salaries. France and Europe to-day are flooded with innumerable parasitic delegations who, from the agents charged with liquidating stocks to those who watch reparations, find themselves in the way of making fortunes. At Vienna, for example, the members of the Reparations Commission are lodged in sumptuous palaces and surrounded by Asiatic luxury.

It is the same in Germany. According to the particulars published by *Le Matin*, the salaries of the officials of the Reparations Commission vary from 30,000 to 400,000 francs per annum.

We have reproduced these figures since they help to show how hard is the lot of the vanquished in modern conflicts. This is a lesson in philosophy which might profitably be pondered by those theorists who count solely upon pacifist societies to ensure peace and stop invasions.

Behind the dangerous veil of their illusions there ferments the hatred of a people of sixty million which no longer takes the trouble to disguise its desire for revenge when France is weakened by dissensions. Even more then formerly, future struggles will set aside pity and justify the sentence pronounced two thousand years ago by the Gaul Brennus: "Woe to the vanquished." He was formulating one of those eternal truths which will rule the living until the total freezing up of our planet.

In spite of its present impotence, the League of Nations deserves to be kept up in order to compose those small important disputes which, envenomed

by self-love, become the origins of great conflicts unless they are eliminated at an early stage. In the atmosphere of instability and menace which envelopes Europe it is useful to have a tribunal possessing in however small degree the vestiges of authority and prestige which gods, institutions and kings are losing every day.

CHAPTER VI

THE POLITICAL INFLUENCE OF PRESTIGE

I HAVE already laid considerable stress on the *rôle* of prestige in the life of a nation, but we can profitably return to the subject once more.

Economists assure us that wars are becoming ineffective as they ruin the victor quite as much as the vanquished. It must not, however, be forgotten that victory is still the great generator of prestige which is necessary to the prosperity of a nation.

To-day as in all ages of history men are governed by prestige. It was the war with Russia which raised Japan to the level of a Great Power, and it is also war which has transferred to England the European supremacy which belonged formerly to Germany.

The Lausanne Conference, as also the occupation of the Ruhr, give striking proofs of the power which prestige confers on a people. These two events, from both the political and psychological standpoints, are perhaps the most important which have taken place since the peace.

In all things relating to France, her entry into the Ruhr, in spite of the vigorous opposition of Britain, marks a deliverance from the growing yoke of England and the beginning of the raising of our prestige.

As for Turkey, just before the brilliant victory of Kemal over the Greeks the chancellories of Europe were trying to find a means of finally expelling the Turks from Europe and did not even deign to receive their emissaries.

Immediately after the victory of the Turks, there was a radical and instantaneous change. The haughty British Minister for Foreign Affairs went himself to Lausanne and discussed for three months with the Turkish delegates, as exacting as they were ironical, as a result of the prestige which their victory had given them, the conditions of a peace which forced England to renounce the whole of her claims.

France, who took part in these discussions, had to suffer the consequences of a too evident divergence of opinion between the Allies. The Turks profited by this and made claims which they would never have dared to bring before more united adversaries.

The occupation of the Ruhr has upset all the ideas of the British Government, who were satisfied that France could be kept in tow at the will of Britain.

When she upheld Germany against us, England was obeying certain political interests whose strength should not be underrated.

The behaviour of an adversary cannot be understood until the necessary effort has been made to reason from his point of view.

Let us try then to substitute the mentality of the English diplomatists for our own since the commencement of the peace, and ask ourselves what was the motive-power governing their politics.

After seizing all they could take from Germany, colonies, warships, merchant fleet, etc., England obviously had an interest in assisting the economic re-establishment of Germany so that she could sell

goods to her as before. It was therefore necessary to prevent German money from pouring into France for reparation of her devastated areas instead of into the commercial coffers of Great Britain.

Apart from the commercial advantages to be obtained by assisting the Germans, Great Britain was following this traditional rule of her policy: to prevent France becoming too strong beside an enfeebled Germany.

This summary of the English policy, treated at greater length in other parts of this book, enables us to understand her opposition and why the prestige of France in Europe would have been entirely lost if she had not regained it by an act of independence. German supremacy in Europe would then have been definitely replaced by the English.

Many enlightened Englishmen now admit the imprudence of their policy. The Duke of Northumberland acknowledged at a conference that all the efforts of the British Government had had for objective "to allow Germany to escape from the consequences of her defeat. . . . Mr. Lloyd George went so far as to threaten to break with France and form an alliance with Germany."

The same orator concluded by saying that if such a policy was continued, "as surely as the sun will rise to-morrow, we shall have before long another European war."

The importance of prestige is often overlooked by our rulers. They forgot it entirely when timidly entering the Ruhr. They should, on the contrary, have marched in solemnly, drums beating, flags waving and escorted by machine guns.

Unfortunately, the leaders of this expedition quite forgot certain fundamental elements of the genesis of prestige, the following among others: the prestige which one has failed to establish at the

beginning of an operation is very difficult to obtain later on.

It was precisely by the neglect of some such principle, that, instead of making a military entry into the Ruhr, the French troops entered timidly, so as to cause no inconvenience.

The Germans would never have been guilty of such a psychological mistake. Following their methods, applied so many times in our invaded départements, the authors of the first acts of sabotage or railway obstruction would have been shot summarily. A very small number of examples would have been sufficient.

The consequence of our ignorance of psychology was a general insurrection. As the former German Chancellor, Hermann Müller, justly observed, " the state of mind prevalent in the Ruhr could not have been maintained if the masses had had the impression that resistance was *materially impossible.*"

How could our leaders have neglected such an elementary principle of crowd-psychology, and forgotten that a little greater show of strength would easily have made the population understand the impossibility of any resistance.

In reality, it is not by force but by prestige that people are governed. When prestige is lost power also disappears. There is hardly any exception to this fundamental rule of the art of governing.

Prestige will always remain the great element which rules the multitude, as incapable of foreseeing future events as of understanding present realities. The statesman gifted with prestige knows how to influence collective opinion and thus gives the strength of numbers to his own decisions. To-day, the art of governing rests chiefly on the performance of this manœuvre.

In fact, right from the beginning of the war,

Europe was dominated by a small number of arbitrary leaders gifted with prestige and utilising assemblies for the sole purpose of giving the necessary force to their personal resolutions.

This was particularly so in the case of President Wilson, who was looked upon as the representative of a nation who had helped to end the war. His immense prestige allowed him to upset all historical creations and transform the oldest monarchy in Europe into small States without any possible economic existence.

It was similarly on prestige that the British Prime Minister, Mr. Lloyd George, relied to carry on what was a veritable European dictatorship for several years. Thanks to this prestige, he was able, during the drafting of the Peace Treaty, to prevent France from getting back the old Rhine frontier, although it was so necessary to her security. Still relying on the same prestige he helped Germany later on to refuse payment of the reparations due to France.

This uncontrolled power, for a subjugated Parliament is not a control, can become, moreover, a source of catastrophes. The result of President Wilson's action will only be seen later. It has already been seen in the case of the British Prime Minister when his ignorance of certain psychological forces caused him to lose for his country Ireland, Persia, Egypt, Mesopotamia and the domination of the Orient.

Without doubt the range of motive powers which determine actions contains many unexplored regions, but our knowledge is sufficiently extended to be of use. Statesmen must not forget that if economic laws govern the condition of the material life of nations, psychological laws rule their opinions and their conduct.

BOOK VI

HOW TO REFORM THE MENTALITY OF A PEOPLE

CHAPTER I

AMERICAN IDEAS ON EDUCATION

WHEN, on May 27, 1905, the Grand Fleet of the Russian Empire was completely annihilated in a few hours by the Japanese iron-clads at Tsushima, the whole world was astonished. In fact it became evident with something of a shock that, contrary to all accepted ideas, little Japan, scarcely known half a century ago, had become one of the Great Powers. It was recognised even more when it was known that in all the battles with Japan, the Russians, although always greatly superior in numbers, had invariably lost.

In reply to a question as to the causes of this superiority which I put at the time to the Japanese Ambassador in Paris, M. Motono, the eminent statesman, said :

" The present development of Japan is due chiefly to the system of education she selected when a revolution recently freed her from the feudal régime. This education intelligently chosen was guided in such a way as to develope at the same time the qualities of character inherited from our ancestors."

During the same period of scarcely half a century, Germany had succeeded in placing herself, from the scientific and industrial points of view, at the head of the nations. This superiority she also gained thanks to methods of teaching very different from

ours and thanks also, according to a statement of one of her Ministers, to the qualities of order and discipline inculcated by her military system.

The preceding chapters have shown to what extent the war had unbalanced the life of nations.

We have found this lack of balance everywhere; in politics, economics, finance and thought.

The demolished world has to be rebuilt, but the means of reconstruction are not numerous.

To count upon the political institutions would be fantastical. Being effects rather than causes they follow the mental state of a people, but they do not precede it.

The influences capable of affecting the mentality of a nation, particularly that of the younger generations whose ideas have not yet become fixed in a definite mould, can be brought under two headings, apart from religion, whose influence is only possible in periods of faith. These two are: Education and Militarism.

Many years have passed since I wrote as an epigraph on one of my books: *The choice of a system of education is much more important for a nation than the choice of a government.*

The errors in educational matters are becoming very dangerous.

In the days when industry did not exist and the force of political economy had not arisen, when men found their path in life already marked out from their birth and when education was a luxury of no great importance, it remained a secondary consideration.

At the present time, the value of an individual depends largely upon the education he has received. Therefore, although I have already dealt with this subject in several works, there will be no cause for astonishment if I return to the subject once more.

I have always deeply regretted the death of Theodore Roosevelt, who was one of the most remarkable of the United States' Presidents.

I do not regret it only on account of his great friendship for France, but also because I was counting on his co-operation to render a great service to my country.

For a long time I had been known to the celebrated statesman through my books, but I only had an opportunity of meeting him two months before the war, at a lunch given in his honour by my distinguished friend, Hanotaux, former Minister for Foreign Affairs. Mr. Roosevelt had himself chosen the guests whom he would like to meet there.

During the luncheon, the late President was both brilliant and profound. His steady and exact reasoning brought him quickly to the heart of every question.

After speaking of the part which ideas play in the guidance of all great national leaders, Roosevelt, fixing his penetrating gaze upon me, said in a grave voice :

" There is a little book which has never left me in all my travels and which was always to be found on my table during my Presidency. This book is your *Lois Psychologiques de l'Évolution des Peuples*."

The President then explained at length the instruction which, according to him, this book contained.

I bowed, certainly very delighted, but rather astonished that the views of an unassuming philosopher should have spread so far. There is no doubt that it is the thinkers who inspire the men of action, but the latter rarely acknowledge the influence of the former.

From this moment there was born in my mind

a project with which the illustrious President would willingly have been associated, but his death intervened. If I speak of it in this chapter it is in the hope that it will catch the eye of one of his compatriots of sufficient influence to bring about its realisation.

It is well known, by the innumerable pamphlets which have been published for a long time on the subject, how lamentably inferior is our system of classical education.

All attempts to modify it have failed completely. The method of teaching remains what it was before —purely bookish and exercising nothing but the memory. The result is, as Taine had already observed, that the knowledge thus acquired is forgotten six months after the examination.

Our antique system might have been good enough in times when jurists and orators were chiefly required. In the present state of the evolution of the world it is fatal. We are, moreover, together with the Spanish and the Russians, practically the only peoples in the universe who have maintained it.

It seems impossible for us to change our methods ourselves, as all endeavours to reform them have invariably failed.

The reason of this is that none of the reformers has realised that it was the method of teaching and not the curriculum which needed changing. All the curricula are good, but the way in which they are applied determines their value.

One sees clearly why the masters at our University do not understand the situation in glancing through their statements. They are unanimous in pointing out the inferiority of our system of education, but the explanation given by these learned professors proves that they have never perceived the true causes.

The same incomprehension permeates the whole university staff.

The professors agree only in recognising that our methods of teaching are detestable.

A part of my work, *Psychologie de l'Éducation*, now in its twenty-seventh edition, and translated into Russian at the instance of the President of the Imperial Academy of Sciences to serve as a guide for education in Russia, is devoted to an enumeration of the criticisms formulated by the Universities assembled before a grand commission of enquiry. Our classical education found scarcely a single advocate among them.

A fresh proof of our inability to change our methods ourselves was given to me on an occasion spoken of in the book just referred to, but which may well be repeated here.

On the publication of this work I received a visit from an illustrious *savant*, M. Léon Labbé, who spoke to the following effect :

" Being a senator, a member of the Academy of Sciences, a member of the Academy of Medicine and a professor at the University, there are several places in which I can make myself heard. Educational reform seems to me a matter of absolute urgency. Will you prepare some notes for me for a speech which I will make first of all at the Senate ? "

I immediately collected the notes for which he asked. The eminent scholar came back several times, but having consulted in the meantime professors who showed him the impossibility of any reform, he sadly acknowledged on one of his last visits that in order to modify our system of education it would be necessary to change first the minds of the professors, then those of the parents, and finally those of the pupils. Hercules himself would have quailed before such a task.

The military war is finished, but an economic war is bound to follow.

The success of the nations who had surpassed us before the great conflict was chiefly due to a system of education entirely different from ours.

This difference is particularly striking in the United States. It is to their education that they owe their contempt for administrative complications, their quickness of decision and of action, their initiative and method, in a word all the qualities manifested in the work they did in France during the war, and for which the least practised observer could easily vouch.

The American education is concerned above all in creating mental habits. It matters little what a pupil learns if his powers of reflection and observation, his judgment and his will have been developed.

Whereas our classical education seeks only to instruct, moreover without much success, the American education seeks above all to educate. Education of the mind, education of the character.

While the text-book learnt by heart forms the fundamental basis of our education, the American Universities found out long ago that what is acquired by the memory alone is retained just for the length of time necessary to pass an examination.

Books are, for this reason, almost entirely eliminated from the American schools and replaced by the experimental study of phenomena.

A long account of these methods is given in the very remarkable book by Professor Buyse written as a result of a mission to America with which he had been entrusted by the Belgian Government before the war.

An illustrious French scholar wrote on this subject that " people educated by such methods are called

upon to fashion a humanity superior to ours." Here is a short extract from the book by Buyse :

> Everything is experimental in the American system of education. The most abstract branches of instruction are presented under material and concrete forms, and their assimilation necessitates as much manual skill as quickness of thought.
>
> For our passive methods based on the memory of words, the Americans substitute their active and educative method which brings into action skill, effort and will.
>
> To them, the European schools seem to show the grossest misunderstanding of childish and human nature.

It has been clearly shown in numerous cases that one cannot expect any real reform from professors whose minds were long ago set in the University mould, so other means must be found. Their discovery is becoming indispensable if we do not want to be beaten in the economic struggle which will shortly begin.

After much reflection, it seemed to me that the only possibility of modifying the whole of our system of education was to found in France an American University with exclusively American professors.

The results obtained would have quickly shown the value of their methods, and the contagion of example would have compelled, little by little, our University to change.

Such was the project which I hoped to see realised thanks to the co-operation of Mr. Roosevelt, to whom I observed that there would probably be enough young Americans in France after the war to maintain an American University while waiting for French students to make up their minds to attend it.

The eminent statesman had accepted my proposal and asked me to show him exactly the course

to be adopted. His death unhappily prevented the execution of this project.

Our newspapers opened a subscription for laboratories, the best-endowed of which often remained empty. A subscription for the establishment in France of a school of the American type would have been infinitely more useful.

CHAPTER II

TEACHING REFORMS IN FRANCE AND THE GERMAN UNIVERSITIES

IT is twenty years since M. Ribot, the eminent chairman of the Parliamentary Commission appointed to examine the value of our University education, expressed the conclusion of the enquiry in the following hard sentence :

"*Our system of education is to some extent responsible for the evils of French society.*"

In spite of this solemn declaration, nothing, absolutely nothing, has been changed in our University system. The text-books which the candidates must commit to memory throughout their course of study grow heavier and heavier, while the great laboratories supported by the State grow emptier and emptier. The few independent *savants* who once existed disappear from day to day. The official professors remain sole masters and do not even suspect the fatal influence they exercise on the future of their country.

It was to be expected that the University would conclude from the virtues shown by our army during the war that the credit for this was due to its teaching. But they forgot that the immense majority of the men who showed these qualities, both officers and men, had been formed outside all University influence.

The Ministers of Public Instruction who, for half a century, vainly endeavoured to reform our University teaching must often have thought of the story of Sisyphus, condemned by the gods to roll to the top of a mountain a rock which always fell down again.

Recognising, like his predecessors, the sad mediocrity of our teaching, a new Minister of Public Instruction recently proposed to change it once more.

His idea was to strengthen the teaching of Latin and Greek, to which, with the almost religious faith shared by a number of good people, he attributed a mystic power.

Like all his predecessors, the author of these new reforms found again that the goal of education must be the formation of character. Given such formation, the subjects taught, even if they included Sanskrit, would matter but little. The position occupied by a country in the scale of civilisation depends upon the level of its *élite*. The value of that *élite* is chiefly measured by the quality of the independent men of learning which its educational system brings forth.

Their function is very definite. If it is the mission of the professors to teach science which has already been elaborated, it is the business of the independent *savants* to work at its progress.

The immense influence of that class of *savant* is incontestable. All the great fundamental laws of physics: Ohm's law, Carnot's principle, the conservation of energy, are due to them. And to them also are due almost all the great inventions which have changed the face of the world. Steam engine, railways, photography, electric telegraphy, telephony, refrigeration, and so on.

The great power of German and American education lies in the fact that they were able to

create a legion of independent *savants*. The industrial and economic evolution of these countries represents the fruit of their work.

The superiority of German Universities, so little understood in France, is not the result of a difference in curricula. These are the same everywhere. It is due to psychological factors, notably in the recruiting of the professional staff.

In France, professors are appointed after a series of competitions requiring a great deal of memory, but no personal research.

The long years passed in our country in burdening the memory with the contents of heavy text-books, and in " contemplating equations instead of phenomena," are devoted by the professional candidate in Germany to the execution of original work in one of the numerous laboratories liberally opened to all researchers. Then, teaching being free, the future professor starts a course of lectures, paid for, like all the courses, by the students. If the latter profit by them, the reputation of the lecturer rises and he is finally called to one of the official Chairs of the twenty-five German Universities. He then receives a regular salary, but the greater part of his emoluments will always be paid by students. It is the same in Belgium. I have it from the former Professor of Physics at the University of Liége, M. de Heen, that his lectures bring him an income of 60,000 francs per annum.

We see, therefore, that it is the students who, indirectly, choose the professors in Germany. Whether as a *Privatdozent* or as the holder of the official Chair, the lecturer has the greatest interest to occupy himself with his pupils, since the greater part of his income comes out of their fees. As soon as the teaching becomes inadequate, the students disappear.

One of the final results of the German University methods is to inculcate a taste for study and research. Ours, on the other hand, only serve to inspire a horror of all that bookish science so painfully acquired. As soon as they have the diplomas necessary to obtain a place, our professors cease to produce anything. Our great laboratories mostly remain empty. It is therefore useless to ask for new ones.

While independent *savants* are much encouraged in England, America, and Germany, they are so little welcomed in France that their number diminishes daily. The few survivors will soon disappear entirely.

The men of science who contributed so much to the economic might of Germany will soon reconstruct it. Profiting by the lessons of the past, this new Germany will be terribly dangerous.

I submit these reflections to the consideration of the University men who unceasingly manifest their hostility to independent men of science, who are so essential to their country's greatness.

As it is impossible to make an impression on the thick armour of illusions with which certain University professors are clad, all one can hope to do is to influence the minds which are still unstamped with the heavy impress of the University. Our future depends on the education of the rising generation, education of character as well as intellect. We must never lose sight of that.

Our University methods are not only incapable of developing the intelligence. They fail even more completely in forming character. But men are guided much more by character than by intelligence. If our University does not concern itself with the formation of character, it is because character

cannot be indicated by examinations, which are at present the chief goal of teaching. It seems to matter nothing that many students acquire no quality of character and are thus doomed to pass through the world without understanding it or without playing any useful part.

The psychological gifts characterising various peoples represent an ancestral heritage, and they cannot, therefore, be profoundly influenced. Yet there are certain methods capable of influencing or at least directing these fundamental elements of personality.

The possibility of such modification is proved by the transformations witnessed in fifty years in Germany and Japan. It is owing to them, I repeat, that Germany, in spite of the differences of her constituent races, became the world's foremost industrial power, and that Japan, a small island formerly possessing neither power nor prestige, became a powerful empire.

Our future depends not only upon the technical aptitudes of our workmen but especially on the capability of the chosen men who direct them. At the time when the war broke out, our *élite* had allowed itself to be outdistanced by foreign competitors.

The reasons for their inferiority were identical in the most widely diversified branches of our activity.

This is easily seen by looking through the sixty volumes published during the war by the French Society for Economic Expansion, dealing with our principal industries. I have summarised these in a previous work.[1] All the authors of these enquiries gave the same psychological explanations of the profound decadence revealed by the statistics of

[1] *Psychologie des Temps Nouveaux.*

our various enterprises. Nowhere is a deficiency of intelligence attributed to the leaders, but on every page we see signs of a psychological inefficiency due to faults of character observed in all professions.

Our University policy ought to set itself the task of suppressing those faults. But in reality it does no such thing.

Actually, our University manufactures with its text-books innumerable holders of diplomas, but it remains powerless to form an *élite*. The directing staff, recruited almost exclusively by competitive examination, makes up what is very often a very poor *élite*. I shall soon have to return to the formation of character and to show how that discipline, order, and method which made the power of Germany were inculcated by its military régime. In England and America, where that régime did not exist, it was replaced by sports, rightly called educational because they cultivate the same qualities as those resulting from military service.

We need not say more. Our University teaching has arrived at the stage of decrepitude without hope which overtakes institutions incapable of evolution.

CHAPTER III

MORAL INSTRUCTION IN SCHOOLS

THE readers of this work are perhaps not very familiar with the history of the Emperor Akbar. Yet he was the most powerful sovereign of his time. In a reign of fifty years he built marvellous cities and dream palaces in India.

Akbar was not only a great builder but also a wise philosopher. As the various religions appeared to him to be different incarnations of the same mysteries which surround us, he conceived the idea of fusing them into one, and assembled several theologians with this object.

The attempt was not a happy one. The members of the learned assembly only exchanged invectives and vigorous thumps.

Suspecting from this, and long before modern philosophers, that beliefs are independent of reason, Akbar abandoned his project, and contented himself with establishing an absolute tolerance throughout his immense Empire. His subjects were free to worship the gods they preferred or not to worship any. The religious possessions were respected. The fathers of families were entitled to have their children brought up as Buddhists, Brahmanists, Mahomedans, or Christians.

The people of Europe took a long time to follow the example of the great Indian Emperor. After

killing and persecuting each other in the course of interminable religious quarrels, they ended by discovering for themselves that force avails nothing against faith. At the present time nearly all the civilised nations practise a wide religious tolerance. Only France and Turkey made an exception for a long time.

For many years anti-clericalism constituted the foundation of radical politics. Its principal aim was to establish for the free schools, which cost very little, Government schools which required several hundred million.

Though that substitution has not been imitated by any of the civilised nations of the world, our governors were very proud of it. Can we imagine, indeed, a nobler task than to protect the mind of the infant against the superstitions of the age of barbarism ? Does not such an enterprise rest upon sure scientific principles ?

This was believed to be so for a long time, and that is how so many uncertain minds accepted the persecutions because they considered them necessary. The politicians remained without prestige, but since they spoke in the name of science their violence was accepted with resignation.

But now, after profound investigations, philosophy, psychology and other sciences have exposed the ruinous conception which disturbed France for thirty years.

Although the evolution of new ideas on religion cannot be put down in a few lines, the principal points can be set out.

First of all, psychology has shown that beliefs are not produced by fear, but that they correspond to an irreducible desire of the mind.

Whether they be religious, political, or social,

beliefs are ruled by the same logic, the logic of mysticism, which is independent of rational logic.

Many revolutionary spirits are, in fact, nothing but believers who have changed the names of their gods. Socialists, Freemasons, Communists, worshippers of fetishes or formulæ destined to regenerate the human race, only owe the intensity of their fanaticism to the exaggerated development of the mystical spirit which animates all the apostles of a new faith.

These remarks constitute the theoretical side of the question. The practical point of view is furnished by a new philosophy called Pragmatism, which is much in favour at present in the American Universities.

That philosophy proclaims that the notion of utility, always visible, must be placed above that of truth, which is difficult of access. If, as observation shows, beliefs increase the power of the individual and raise him above himself, it would be absurd to omit such an incentive to action from education.

Even free-thinking psychologists all recognise the force which is imparted to a man by the possession of faith. For those who doubt it I need only quote the following lines written by a professor of the Sorbonne, who is as little suspected of clericalism as I am :

> Religious life implies the action of forces which raise the individual above himself. . . . The believer is more potent than the unbeliever. This power is not illusory. It is what has enabled humanity to live.

The utility of religious instruction in schools may be proved in another way. In the famous book on *Science and Hypothesis* which he wrote at my request for the collection which I edit, the illus-

trious mathematician Henri Poincaré proves that no science, not even mathematics, can exist without hypotheses. Thus, the propagation of light and of those electric waves which impress the wireless receiver would be inexplicable without the hypothesis of the ether. The nature of this ether is entirely unknown. Nobody even knows whether its density is infinitely great or infinitely small. We are not even sure that it exists, yet science cannot do without it. And if we refuse to be guided by the hypothesis, we must resign ourselves to being guided by chance.

The religious hypotheses are comparable to those of science, and it is as difficult to do without the former as it is to do without the latter. The whole edifice of our knowledge is based upon scientific hypotheses. Our civilisations are built upon religious hypotheses.

There is, therefore, no reason, either scientific or philosophical, or practical, to justify the persecution of religious instruction, a persecution to which Alsace, after its return to France, nearly fell a victim.

So far from being a danger, that teaching is very useful, for it easily creates in the child those unconscious habits which will survive later when he loses his beliefs.

Does this imply that we must force the schoolmaster to teach as truths those hypotheses which he does not believe himself ? By no means.

The most sceptical free-thinker would not betray any of his convictions in telling his pupils that all nations have had religions in harmony with their feelings and needs, and that laws, customs, and civilisations have been built on those religions. He would teach that all dogmas prescribe moral rules

necessary to the life of communities. Finally, he would briefly expound to the pupils the religion of their fathers, and remark that its validity cannot be discussed in infancy.

I do not think that any modern *savant* would contest the preceding assertions. They can only be doubted by legislators whose mystical fanaticism and whose terror of collective opinion deprive them of all liberty of judgment.

Yet we cannot consider these modern apostles as devoid of all philosophy. But their elementary philosophy is of the kind which an eminent novelist has made famous in the character of M. Homais. The spirit incarnated by that simple soul long ruled supreme in Parliament. He expelled from the hospitals those Sisters who had so admirably nursed the sick and had surrounded their last moments with hope. He drove from France several thousands of the Christian Brothers who gave gratuitous instruction to hundreds of thousands of children and had created an unrivalled system of agricultural and professional training, which disappeared with them.

When the psychological ideas sketched in this chapter are better known, intolerance will be considered a calamity as ruinous as it is dangerous, and public opinion will arise vigorously against its pernicious apostles. Rising above the fanaticism of this hour, the historians of the future will show without difficulty what religious intolerance has cost us and what precious elements of education it has taken away from us.

CHAPTER IV

THE CREATION OF MORAL HABITS BY THE ARMY

IN their speeches, all the heads of States talk about disarmament, but at the same time they increase their war budgets, knowing well that the only chance of peace lies in the strength of the armies. To-day, more even than in the past, one must be strong in order to endure.

These armaments are financially disastrous, since they force half-ruined nations to impoverish themselves still further. But the example of Germany suffices to show what a defeat costs nowadays.

The necessity of keeping up expensive troops seems the heavier when we consider that they are a weapon which is but rarely employed.

We are thus led to put the following question: Could not this expensive instrument be utilised for other than war purposes? It is easy to show that apart from its warlike purpose, military education could render the most signal services to a people.

We may remember the declaration of the famous German chemist Ostwald that the industrial supremacy of the Germans was due to the fact that they possessed the secret of organisation.

That superiority, the origin of which was not well known to Ostwald himself, results less from intellectual qualities acquired in the Universities than from certain traits of character such as order-

liness, discipline, punctuality, solidarity, devotion to duty, etc., which are not taught in Universities.

The Minister Helfferich had a clearer view of the causes of the superiority of his compatriots when he attributed it to the compulsory passage of all young Germans through the barracks, when they acquired the traits of character indispensable to the new scientific and industrial evolution of the world.

The objection that the Americans, until recently without an army, yet attained great industrial prosperity, is of no account. Their qualities of order, solidarity, punctuality and discipline were due, like those of the English, to the practice of sports where discipline is as rigorous as it is in barracks.

How can military life inculcate such qualities? Here we find ourselves faced by the formidable problem of moral instruction which may be called the stumbling block of all philosophies.[1]

The problem is very simple in reality, although men like Kant have completely misunderstood its elements. To that illustrious philosopher no morality could exist without penalties, that is to say, rewards and punishments. Kant derived the necessity of a future life and a divine judge from the existence of unpunished crime and unrewarded virtue.

Thus ethics cannot exist without penalties, according to Kant.

These conceptions were regarded as classical in our educational system, and I have it from the

[1] We may judge by the following passage written by the eminent philosopher Boutroux how confused are the moral ideas even of our most illustrious University men: "Throughout their extreme divergence, all moral systems consist in selecting a certain idea of good as a definite object of our activity and in seeking in the free corporation of intellect, heart, and will the spring of action directed towards that object."

philosopher Bergson that he and I were for a long time the only men to reject them completely.

In rejecting them, they did so for reasons somewhat differing from those I have expounded in another book, which I may give here in substance :

Kant, like all rationalist philosophers, believed man to be guided through life by his intelligence, whereas in reality he is led by sentiments on which his character is based.

In fact it is not the fear of punishment or the hope of reward which make us respect the moral law. That respect is only acquired when it becomes a habit. Man then obeys certain rules of conduct unquestioningly. It is at that precise moment that morality is born.

The purely rational morality of the professors, in which every act would require an intellectual deliberation, would be but a poor thing, and a man having no other rules of conduct would inspire but little confidence.

Kant's error arose because, not knowing the power of the subconscious when properly educated, he could not consider it sufficiently strong to replace present or future sanctions. The latter therefore appeared to him as indispensable. How can we create this unconscious morality, the only sure guide of conduct ? How, in other words, transform into habits the observation of those moral laws without which any society rapidly falls into anarchy ?

There is but one method which gives this result : A long-continued repetition of the act which is to become a habit.

That act is at first a restraint, and the pupil only performs it by compulsion, under the influence of a rigid discipline.

Such discipline being difficult at home and at school, many people have no morality but that of

the social group to which they belong, apart from the fear of the police, which is rather weakened nowadays.

That discipline, which is rigid, but necessary in order to create an unconscious morality, is easily obtainable in the army, because it possesses means of compulsion which cannot be resisted. Their rigour is only painful at first, for the discipline imposed from without is soon replaced by that internal and spontaneous discipline which constitutes habit.

The man so formed is comparable to the cyclist riding along the most difficult paths, where he could not venture without much trouble at first.

The people who have acquired that internal discipline which constitutes stabilised morality are, by that very fact, superior to others who do not possess it.

The creation of moral habits by means of military discipline rests on the assured psychological principle of association by contiguity. It can be formulated as follows: When impressions are formed simultaneously or immediately succeed each other, it suffices to present one of them to the mind in order that the other may be at once evoked.

Association by contiguity is necessary to the creation of a habit. Once well established, the habit makes the mental representation of the association superfluous.

To show the force of this unconscious education and how it can survive the disintegration of consciousness from any cause, I shall here quote a very concrete case observed by the illustrious General Maud'huy, who has never lost an occasion of telling me that he regarded himself as my disciple.

Being at that time commandant, he saw a

sergeant enter his office in great perturbation, to tell him that a drunken soldier was reeling about a room, breaking everything and threatening with his bayonet the first who would go near him. What could he do ?

Theoretically it seemed very simple to throw several men at the maniac to overpower him. They might have been killed or injured. Could not psychology offer a more subtle way ?

The future general found it quickly. Knowing that the education of the unconscious survived the perturbation of the conscious ego, he went to the room where the drunken man was strutting about, opened the door, and called out in a stentorian voice:

" 'Shun ! Shoulder—arms ! Slope—arms ! Stand at—ease ! "

The orders were immediately obeyed, and it became easy to disarm the man, whose conscious mind had been perturbed by drink, but whose unconscious habit had remained intact.

To finish with the fertile principle of association by contiguity, I may remark that it is the basis of every possible scheme of education, both of animals and men. The cleverest trainers use hardly anything else. The same principle contains the solution of apparently insoluble problems, such as that of restraining a hungry pike from devouring fish enclosed in the same bowl. This experiment is too well known to make it necessary to give details.

The creation of moral habits by association is facilitated by the application of another psychological law : Feeble impressions, however often repeated, never have the power of rarer but much stronger impressions.

By virtue of this principle, which I once had occasion to apply to the training of recalcitrant

horses, the chastisement punishing a violation of discipline may be rare, if it is severe. That is why at Eton College, which is attended by the sons of the higher English aristocracy, the principal himself publicly flogs a pupil detected in a lie. That humiliating punishment inspires the young people with such an intense horror of falsehood that it rarely becomes necessary to inflict it.

The immense superiority of military discipline over that of the school and especially of the family is, as I said, that nobody resists the former, whereas school or family discipline only amounts to feeble remonstrances and words without prestige.

The creation of military and moral habits takes a certain time. This time is much disputed about by those who advocate a military service reduced to a few months.

The question has arisen in various countries and notably in Belgium. King Albert gave evidence on this occasion of psychological knowledge which had already struck me in conversation with him. With the object of prolonging military service from ten to fourteen months he said: "To reduce the period of service below a certain term is to fall into the militia system. Now experience proves that no militia ever stood up to a well-trained force of regulars. It has been proposed to compensate this by a powerful armament, but troops without discipline or cohesion cannot defend that armament."

The reader will, I think, now perceive the utility of the military régime as regards the effect on the character and morale of a people. The officer can and must become the real educator of our youth, which is called to pass through the barracks and which, often very wrongly, fears to waste its time there.

To teach a soldier how to move is but a small

part of the officers' work. The habit of managing men has already transformed many officers into psychologists.

Some of them, though unfortunately too few, had long ago understood that part of their task. Thus, a few years ago, General Gaucher, then staff commandant, published a series of lectures on " The Psychology of Troops and of Command," in which he, indeed, quoted several chapters from my works. He clearly shows, in the matter of moral education, the differences in the methods of building up individual morality and collective morality. Of course, a leader can momentarily excite in his troops certain very high qualities, such as self-denial, devotion, disinterestedness, self-sacrifice, but such transitory morality does not survive the influence of the chief who created it, where individual morality persists, when transformed into habit on the principles expounded above.

When both character and intelligence have been educated, the man possesses a strong mental capital superior to all material capital. Events may, indeed, destroy the latter, but they will not touch the former.

All modern nations, especially those of Latin origin, need a moral instruction to endow them with a solid mental capital. I repeat that only the army can furnish it.

Our future depends upon the moral education of the rising generation.

Everybody in France is intelligent, and that is why our youth covers itself with diplomas. But, unfortunately, character is not developed to the same degree.

But in the present phase of evolution it is the possession of character which determines the future of nations.

BOOK VII

ALLIANCES AND WARS

CHAPTER I

THE VALUE OF ALLIANCES

AMONG the statesmen who have played a part in contemporary events, History will certainly mention the name of M. Isvolsky, Russian Ambassador to Paris at the time of the war.

Previous to his appointment as Ambassador to France, he had been Minister for Foreign Affairs and had occupied important diplomatic posts in various European capitals.

The eminent statesman had a very fine, cultivated mind, and he had a wonderful knowledge of the difficult art of understanding and managing men. No doubt he made mistakes occasionally, but history rarely mentions a diplomatist who was never mistaken.

I had the honour to number him among my regular readers, and while still in Paris, as Ambassador, he undertook the Russian translation of my little book, *Aphorismes du Temps Présent.*

One day, I had occasion to propose to him the addition of another aphorism to the effect that an alliance between nations disappears as soon as the interests of these nations begin to diverge.

"Do not write that," said the Ambassador with an ironical smile. "It is a truth so constantly confirmed by history that it would really be superfluous to recall it."

The war and also the peace have amply justified this wise remark.

It was seen particularly in the cases of Italy and Rumania, who, at first the allies of Germany, turned against her from the very day when their interests differed from the German interests.

The small value of alliances was once more confirmed when Russia deserted us, and again when Austria tried, towards the end of the war, to separate from Germany.

The working of interests which leads to the rupture of alliances is shown also in their formation. The United States furnished a remarkable example of this when, feeling the growing menace of Germany, they gave up their neutrality, although bound by no treaty, to help us put an end to the war.

The French newspapers exhibited a rather excessive simplicity when they repeated without ceasing, during the war, that England and America had joined with France to defend the cause of right and justice. They were simply defending their threatened interests. " It is for ourselves," wrote *The Times*, " that we have drawn our swords, so that we may remain mistress of the seas and of the commerce of the world."

Germany being beaten, France must be prevented from becoming too powerful ; that is why the British Government opposed, with an energy bordering on violence, the establishment of the old Rhine frontiers. With the same energy they opposed the formation of the Rhineland buffer state which would have made Germany less dangerous for her neighbours.

The same observations apply to America who, according to the asseverations of our statesmen and journalists, entered the war to defend right and liberty.

On March 11, 1921, the United States Ambassador to London showed the absurdity of this view when he said :

"*There are many who are convinced that we have sent our young men across the ocean to save Great Britain, France, and Italy. This is not true. We have sent them solely to save the United States of America.*"

These various statements all tend to demonstrate the principle that an alliance is a provisional partnership of similar interests which does not survive their divergence.

When ambitions or interests are very strong, they can bring about alliances between nations who have otherwise no sympathy whatever for each other. It was for a long time the dream of the Emperor William II to ally himself with France, whom he loved little, against England, whom he loved still less. This is known in particular through the publication of one of his conversations with King Leopold of Belgium, by Baron Van der Elst, formerly permanent secretary to the Belgian Minister for Foreign Affairs.

For many years (said William) I have used every means in my power to get into closer touch with France, and each time that I have extended a friendly hand she has scornfully rejected my advances. All my projects meet with the systematic opposition of the Government and are violently combated by the French press, which distorts them and make them a pretext for insulting me. I had dreamed of a reconciliation with France. In the general interest, I should like to have formed with her a continental group sufficiently strong to put a rein on the ambitions of England, who seeks to confiscate the whole world to her own profit. But no. I see France preaching hatred and revenge and preparing for war with the object of annihilating us.

England, who was beginning to fear Germany as a growing rival, would willingly have come to terms

with her, but her advances met with little success. Besides, Germany felt very sure of British neutrality at the outbreak of the war.

It has often been said that if, in 1914, England had declared her intentions at once, Germany probably would not have ventured upon the war. The delay was one of the inevitable consequences of the traditional English policy. It was not to her interest to join with France until Germany, contrary to the expectations of the English statesmen, violated the neutrality of Belgium and threatened Antwerp.

All these examples, which make evident the psychological bases of an alliance, allow us to ascertain the real meaning of this word.

In the present stage of the world's evolution and the variability of economic interests, alliances between nations are nothing but a temporary association of similar interests, and they do not survive the disappearance of these interests in common.

Furthermore, it must not be forgotten when speaking of alliances that, except in commercial relations which compel honesty under the penalty of their discontinuance, there is no morality whatever in international politics. The terms " right " and " justice " then become mere expressions devoid of any efficacy, and they have never had any influence over conduct.

History is chiefly made up of the recital of conquests of weak nations by the strong without any question of right. Moreover, the chroniclers reserve their admiration for the conquerors who were very little concerned with ideas of right and justice. Frederick II of Prussia was called the Great chiefly on account of the manner in which he despoiled his neighbours of lands to which he had no right whatever.

It was the same in all countries. In a speech made by M. Poincaré at Dunkerque, he recalls that when this town seemed to become a dangerous rival to English commerce, the British Government tried to set it on fire without warning. Twice, in 1694 and 1695, they sent a fleet of frigates and fire-ships to carry out this work. Jean-Bart was successful in preventing it, but later the English succeeded in demolishing the fortifications and destroying the harbour.

Then, as to-day, as to-morrow and always, the only moral law which obtains in the relations between nations is that of might.

Often useless, treaties of alliance can even become dangerous. The quarrels of Austria with Serbia were matters of supreme indifference to us, and only our treaty with Russia dragged us into a frightful war. The Franco-Russian alliance cost us 1,500,000 men, the ruin of several départements and immense sums of money.

When the interests of a nation are concerned there is no need of a treaty of alliance to make it take part in a conflict. The countries which helped us most during the war, England and America, were the very countries which were not bound to us by any pact.

We do not conclude from the preceding that alliances are always useless. They can exert a very valuable moral effect by preventing a strong nation from attacking a weaker. As we mentioned above, if Germany had supposed that England would join with France there is no doubt that she would not have embarked on the war. A well-defined alliance with England, in place of vague promises, would have therefore probably prevented the fearful outbreak.

The same applies to the projected treaty between

England, France and America at the time of the peace. It would have been very useful in paralysing any revengeful projects on the part of Germany.

No nation is at present strong enough to live without moral alliances, the only possible ones to-day because the others are not efficacious, as we have shown. With whom ought France to ally herself ?

That is a problem analogous to those propounded by the Sphinx in the ancient legend, which had to be solved under pain of death. Our whole future depends on it.

An alliance with the United States, perhaps the most desirable, has been rejected by the American Senate. Since the end of the war, American interests have changed, and American ideas have changed accordingly.

A feeling, obviously anti-European, put President Harding into power, and pro-German propaganda led the United States, who had hardly thought of it at first, to reclaim the money lent to the Allies during the joint struggle.

The American papers now insinuate that if the United States are burdened with heavy taxes it is because their Allied debtors do not wish to pay them back, which they could easily do if they did not devote all their money to armaments.

The American people are more and more convinced that it is the armaments of France which prevent general disarmament. We may anticipate the sort of political pressure which the Washington Government will be able to exert on the European Governments.

It is possible that the United States are seeking to force certain European nations to reduce their armaments. Germany relies greatly upon this.

This new attitude on the part of America shows

once more how fragile are the alliances of to-day. It shows above all that we need not hope for an alliance with America.

Alliances with Powers of the second or third rank, Czecho-Slovakia, Poland, etc., are not very desirable. We should have much to give, and very little to receive. It has already been seen, by the semi-alliance with Poland, how narrowly we have escaped being dragged into wars against the Russian Soviet.

An alliance with Italy would be very uncertain. Various Italian newspapers have not hesitated to reclaim Corsica, Nice and Tunis, or to announce, as did the *Giornale d'Italia*, that Italy could very well go into the German camp where she was before the war.

It would be very imprudent to rely, failing alliances, or the illusory protection of the League of Nations, on socialist internationalism, or on the ridiculous speeches of the pacifists. These led us to the very edge of an abyss into which we nearly fell.

Alone in Europe, without hope of help from distant America, who would not be anxious to renew her tremendous undertaking, we should be very weak.

At present, England remains the only nation with which France would have a definite interest in contracting an alliance in consideration of its moral effect.

To find the possible bases for such an alliance, it is necessary to take into account, first of all, the traditional political principles of England, and then her present condition.

Statesmen who govern nations which are stabilised by a long past, are themselves governed by a small number of hereditary principles through the vicissi-

tudes which beset them. Certain of these principles are, moreover, so fixed that Governments formed from politically opposed parties all apply them as soon as they get into power.

England is the most stabilised of the nations of to-day, and that is why her policy does not change with time. From the epoch of the invincible Armada up to the time of Napoleon, the British Empire has always opposed any European Power which seemed to be growing too great. France seemed to be getting too strong in 1870, so England applauded Germany's success. In 1914, Germany in turn becoming too powerful, and Great Britain ranged herself on our side.

Obsessed by the fear of losing an alliance which it regarded as necessary, our Government yielded to all the demands of England right from the beginning of the peace discussions, and thus facilitated the establishment of British supremacy in Europe.

If Great Britain has no need of France it is useless to ask anything of her. The mentality of her statesmen is such that they do not give anything except under pressure of harsh necessity.

To-day, she is grasping on all sides, is hindering her old allies, and seems but indifferently anxious to engage in a new alliance.

If she persists in this line of conduct, what will be the consequences ?

Supposing that, at a period known only to the future but inevitable, tenacious Germany, once more out of the depths, believes herself strong enough to take her revenge and attacks an isolated France. What would become of England if we were beaten ?

There is no doubt about what would happen to her. Antwerp and Calais in the hands of the

Germans, England would immediately lose her command of the seas. Easy to invade, she would soon become a mere German colony.

An alliance with Germany, with which Mr. Lloyd George has several times threatened us, would not save England from such a fate. Germany would soon turn against her ally of a day when France was conquered, if only for the purpose of regaining her colonies.

Therefore, without bringing in any other than the factor of interest, the British Empire must inevitably resign herself to a definite and unreserved alliance with France, so that Germany may be forced to give up any idea of recommencing the war.

An alliance with England does not in any way mean begging for protection. It is a matter for discussion, and our diplomatists would do better to treat it on a business footing and propose an exchange of services equal in value. A polite firmness should take the place of the frightened submission which was evident during and since the peace negotiations. Then, unfortunately, we had against us the obscure idealism of the all-powerful President Wilson, and the realism, not at all obscure, of the English Prime Minister who was chiefly concerned with the enlargement of the British Empire, and with keeping France sufficiently weak to be always dependent on England.

It is obvious that an alliance with England must not mortgage the future too heavily and involve us in distant wars. If she accentuated an alliance with Japan and the latter went to war with the United States, we might be drawn into a new struggle even more terrible than the one we have just finished. It should not be forgotten, as I mentioned before, that our alliance with Russia led

us into the conflict which has just wrought such havoc in the world. Neither must it be forgotten that our present semi-alliance with England nearly dragged us into a war with Turkey.

A Franco-British alliance should therefore specify clearly the joint objects and limits of the engagements signed. Its principal object should be to prevent a fresh European conflagration which would certainly mark the end of our civilisation.

These present-day realities dominate the futile subtleties of the diplomatists and the babble of the pacifists. More than ever before, government means prevision. Improvidence has cost us four years of war and the ruin of rich provinces. An adventure of that kind cannot be indulged in twice.

CHAPTER II

THE FIGHT FOR HEGEMONY AND THE STRUGGLE FOR EXISTENCE

(1) *England's Bid for Hegemony.*

ALL the great nations in history have aimed at hegemony.

The tendency is as great to-day as in the times of Cæsar and of Charles V, but it is no longer admitted. The statesmen who preside over the destinies of nations claim to be exempt from it.

In one of his speeches, the most imperialist of the British Ministers wished for " the creation of a federation of nations designed to prevent ambition and cupidity from ever again plunging the world into the chaos and misery which is called war."

Although diplomatists find no difficulty in changing the meaning of words, it would really not be easy for this Minister to attribute to motives other than those he criticises, namely, " ambition and cupidity," the incessant territorial aggrandisement of England since the beginning of the peace.

This complete discrepancy between the conduct of statesmen and their speeches is the result of profound psychological causes. Their speeches relate to an individual and theoretical ideal, more or less remote and not yet realisable, whereas their conduct reflects solely the hereditary aspirations of the people whom they govern. A statesman has no influence except in so far as he mirrors the

aspirations of his race. He may preach fraternity and solidarity, but his policy will be guided by totally different principles.

England being a nation which has always aimed at self-aggrandisement, there is nothing which leads us to suppose that her traditional collective mentality has changed.

The distinction which I have just made between words which come from the conscious mind of the individual and conduct which springs from the sub-conscious racial mind is one which controls the political life of nations, especially so since the origin of the recent war.

We must, therefore, not be very much surprised that the English statesmen, after repeating a hundred times in their speeches during the war that they were fighting against militarism and the desire for supremacy, should have acted in a manner absolutely contrary to the principles solemnly proclaimed when the peace was signed, by trying to substitute British for German supremacy.

Never did any nation show such a lust for conquest. After taking possession of the German fleet and colonies, England claimed Egypt, Mesopotamia and Persia as her protectorates, and then tried to seize Constantinople and a part of Turkey, using the Greeks as cats' paws.

With the various countries that she has annexed, Mesopotamia, Palestine, Egypt, German Africa, Cameroon, Togoland, the Sunda Isles, etc., British territory extends from Egypt to the Cape and India, comprises a large portion of Asia and Africa, and covers more than a quarter of the surface of the globe.

Her position can be summarised in the statement made by Lord Curzon in the House of Commons: "In this war, England has gained all and even more than she expected."

In fact, Great Britain never dreamed of such prodigious power. A few weeks sufficed for her to appropriate all the advantages of the World War.

England (wrote the learned historian Ferrero) was seized with a sort of delirium of world domination which, following the German ambitions, threatens in its turn to drag the world to ruin. . . . England has fallen into the same error which caused the fall first of Napoleon and later of Germany. She believes that the interest of a single nation can be the law of the universe. She is attempting to improvise on the ruins of half Asia a colonial parody of the Napoleonic Empire or of that which the Germans tried to found with much sounder preparation.

The desire of England to establish her world supremacy was manifested not only in her territorial conquests but also in her imperious manner of acting towards her Allies.

At the time when the Bolshevists were at the gates of Warsaw, she did not hesitate to close Dantzig, the only route by which France could easily send munitions to the Poles entrusted with the stopping of the invasion. She forced us, by the hostility of English *protégés* on our frontiers, to waste many men and much money in Syria, and did not cease for four years to oppose our claims for repayment.

The establishment of British supremacy therefore represents one of the principal, though quite unforeseen, results of this World War.

This supremacy has cost England very little. Her financial position is so prosperous that her revenue now exceeds her expenditure.

Europe has therefore fought for four years against German supremacy only to fall under the English. There is no reason to hope that the second will be less harsh than the first.

Germany was formerly reproached with trying

to justify her desire for supremacy by asserting that she had received from Heaven a mission to civilise the world. In a speech at Sheffield, Mr. Lloyd George in his turn assured us that "Providence has given to the English race the task of civilising a portion of the universe."

It is regrettable that the celebrated Minister did not reveal by what mysterious means he had learnt that God gave to England the mission first attributed to Germany.

At the present time, nations are following a course absolutely contrary to the ideas formulated during the peace conferences.

Indeed, we are now witnessing, in various parts of the world, the birth of two or three centres of supremacy the formation and evolution of which are governed by the following psychological law :

Every growing nation tends first to supremacy, and then to the destruction of rival States as soon as it has become the strongest.

In reality, the principal cause of the last war was the rivalry between Germany and England for European supremacy. The German Emperor dreamed of war with England, not with France.

A nation which aims at the domination of the world sees other nations arise who also aim at hegemony. This is observed more and more nowadays. Parallel with British imperialism there is a rapid growth of imperialism in the United States, a dream of hegemony over Asia, in spite of the inevitable opposition of England and Japan.

They are already hastening to build a navy to equal that of Japan, who, after having taken Shantung with its thirty million inhabitants from China, seeks to extend her dominion over Eastern Siberia, Mongolia, Northern China and the Philippines.

(2) *The Struggle for Existence in the Far East.*

The struggles for European hegemony were chiefly caused by ambition, and might, strictly speaking, have been avoided. The struggle which we see beginning in the Far East constitutes for Japan, on account of her continually increasing excess of population, a struggle for existence which all the speeches of all the congresses cannot prevent.

This prospect constitutes one of the essential elements of the so-called Pacific Question. It is much discussed in America as of paramount importance for the future.

Having, like all other nations, a mystical faith in congresses, the Americans convened a conference in Washington to settle the question. The pretext put in the foreground was the limitation of armaments. But it was not really that accessory subject which preoccupied people's minds.

The problem of the Pacific, stripped of all the phrases with which orators surround it, consists in finding the means of preventing the Japanese from dominating Asia and especially from sending their emigrants into the United States. Not mixing with other races, multiplying with extreme rapidity, and working much more cheaply than white men, they would compete disastrously with the latter.

Now, in contrast with American interests, emigration is to the Japanese an absolute necessity. Every year they have an enormous surplus of births over deaths. They cannot find room in their own territory, nor can they go to China, which is already too densely populated, and so they tend to invade the United States and the British Colonies.

Draconian laws have hitherto made this invasion difficult. The Japanese have bowed to them, not being the stronger. But now ?

Great Britain, who had a treaty of Alliance with

Japan and whom distance protects from invasion, would find no inconvenience in the expansion of the yellow race, but the case is very different as regards her colonies, Canada, Australia, New Zealand, South Africa, etc., who absolutely share the sentiments of the United States and who will not have yellow immigrants at any price.

Their representatives have already declared themselves categorically on this point. "Among the rights of the countries which we represent," said the Premier of Australia, "is that of choosing our nationals, and, consequently, that of eliminating foreigners who do not suit us."

Will present-day Japan submit for long to the humiliating interdict to which she has hitherto been obliged to yield under protest? Force alone can oblige her to do that.

But the feeble Japan of bygone days has now become a great Power treating as an equal with the greatest in the world. She possesses a navy which will soon equal that of England, and which, during the war, policed the Pacific and rendered great services to the Allies. Her representative in Paris figured at the Supreme Council which dictated the peace.

Little old Japan is of considerable political consequence to-day. Not to speak of her economic conquest of China, she has annexed Shantung, a country as large as France, as well as Manchuria. Soon she will no doubt possess Siberia, Lake Baikal, and Vladivostock, regions rich in coal and oil. Japan is to-day the real mistress of Asia.

Some time ago, in a large work devoted to the East, I predicted the inevitable conflict between the white race and the yellow race.

The hour seems to have come. If at the present time the United States are able to defend them-

selves against the Japanese invasion, it is because they were obliged, in order to aid their Allies, to provide themselves with an army and a navy.

Thanks to these armaments and the moral support of the British dominions, America resists the Japanese pressure. But the pressure is increasing and she seeks the means of avoiding a conflict which would necessarily be greater and more murderous than the last. It would be the great war of races. India, Egypt, and China would necessarily enter on the side of Japan, so as no longer to suffer the supremacy of the white race.

The following recent reflection of the Australian Premier may be considered well justified: "The scene of great world events is about to pass from the European continent to the Pacific."

The Washington Conference succeeded in postponing for some time the great conflict between America and Asia. But as it appears unavoidable, the leaders of the United States are on the horns of a dilemma: Either they must accept the yellow invasion, which, by its amazing fertility, would finally transform the United States into Japanese colonies; or they must oppose the invasion by war.

That colossal war, the threat of which grows every day, would not, like ancient conflicts, be brought about by ambitions, hatreds, and dynastic ambitions. It could only be compared to those formidable struggles for existence which, during geological ages, brought about the destruction and transformation of species.

If the Washington Conference had but a moderate political result it at least served to demonstrate once more that, in spite of pacifist dreams, the life of nations is still dominated by natural laws which all the progress of civilisation is unable to infringe.

CHAPTER III

THE PROBLEM OF SECURITY

THE most important of present-day problems is, of course, the problem of security. The Allies having more and more abandoned France, she remains isolated facing an enemy obsessed with the idea of revenge. How shall we establish security ?

There are not many ways of doing it. There is, in fact, only one effective way : the occupation of the Rhine cities. As soon as they are abandoned attempts at revenge will be brought near. All our military chiefs agree on this point.

The future is written in the present. We must therefore never forget what awaits us if the Germans invade French soil again.

The *New York Tribune* of February 14, 1923, reminded its readers of their doings in France and Belgium :

> They started by plundering the inhabitants, then they forced them to work and took them as slaves into Germany. They stole machinery, furniture and pictures, burned houses, libraries and churches, destroyed the soil, and imprisoned and killed *en masse.*
>
> There must be many surviving witnesses of the rape of Louvain and Malines, and of those specialists in thievery, Bissing's agents in Belgium, those merciless engineers and technicians who knew so well how to make the North of France a desert during their retreat to the Hindenburg line.

In the case of a German war of revenge these

methods would certainly be tried again. German plans are still those formulated in the following terms by a Prussian War Minister, General von Schellendorf : " Between France and Germany there can only be a fight to the death. The matter can only be settled by the ruin of one of the antagonists. We shall annex Denmark, Holland, Switzerland, Livonia, Trieste, Venice, and the North of France from the Somme to the Loire."

These ambitions, which were defended for a long time by German historians and professors, would infallibly arise again on the day that France renounced the only serious guarantee of peace she now possesses, viz. the occupation of the Rhine. We need have no illusions on this point.

Professor Blondel recalls in this connection what was written by Eduard Meyer, one of the most famous professors of Berlin University : " We must implant in the youthful mind the conviction that the war which does not give us what we hoped for must necessarily be followed by a series of wars until the German people, that predestined nation, attains to that position in the world to which it is entitled."

This idea inspires most of the University professors. " A renewed war," said the Dean of the Law Faculty in Berlin some months ago to Professor Blondel, " is inevitable. We shall to-morrow recover the position we had yesterday."

These notions must be ever-present to our minds, for they contain as much of the future as of the past. Yet they are forgotten to an amazing extent. In certain State Departments there reigns a short-sighted pacifism which aims at consigning the past to oblivion, in the hope, no doubt, of calming Germanic fury.

As an example of this inconceivable aberration

we may quote the singular story of what recently happened to the author of a book entitled : " *If the Germans had won the War.*" The author explained their designs according to the German publications of highest repute. The work had been approved in high quarters, notably by General Lyautey.

Having no suspicion of the mentality I have just alluded to, the author sent three hundred gratuitous copies of the book to the proper office in the Ministry of Public Instruction in order that they should be distributed in Municipal libraries.

Against all expectation, the work, though of obvious public utility, was categorically refused, the reason stated being " the energetic tone of the book, however justified it may be."

So much for our defensive propaganda ! It comes up against the heavy opposition of obscure bureaucrats whose blindness surely goes beyond all permissible bounds !

While the future destinies of France and Europe are being worked out in the Ruhr, the good jurists of the League of Nations make humanitarian speeches which are not believed either by the orators themselves or by those who hear them.

Those orations are, indeed, enveloped in a thick fog of boredom. That is perhaps the reason why one evening I went to sleep over reading them. I slept and I dreamt. The chances of my dream had transported me to those Elysian Fields which paganism reserved for the shades of illustrious personages.

The first shade I met was the founder of German unity, Prince Bismarck. Placing his hand on the shade of his sword, he addressed me furiously : " Do not boast too much of your triumph, cursed son of a hated race. Your country, fortunately

for us, has a sufficient number of socialists, communists, and stupid philanthropists to make our revenge certain. When that day comes, my successors will nor repeat the mistake committed in 1875. When I saw France reviving then, I wanted to crush her finally by seizing her richest provinces and imposing conditions which would have ruined her for a century. I committed the fearful blunder of listening to the remonstrances of sovereigns who would never have gone to war to defend France. How could I have been so stupid ? "

Embarrassed by this discourteous harangue I moved away and approached a group where I fancied I could distinguish the shade of the good La Fontaine.

It was he, indeed. He recited to his charmed hearers a fable which I remember, and which was as follows :

" *The Tiger and the Hunter.*

" A certain tiger, with a reputation for ferocity, encountered in the forest a hunter armed with a solid carbine. Just as the hunter took aim at the tiger, the latter, placing a timid paw on his heart, exclaimed :

" ' Stop, hunter. Philanthropists have just proclaimed that all living creatures are brethren. For a long time, indeed, the tiger has been the friend of man, protecting his fields from the greed of the wicked sheep. Only the capitalists have trained man against the tiger. Let us unite, my brother, as proposed by the apostles of disarmament, and we shall enjoy a universal happiness. Throw down your weapon. I shall immediately clip my claws ? '

" Impressed by this speech, the hunter lowered his carbine, without, however, giving it up. Encouraged

by this half-success, the tiger renewed his adjurations, and became so persuasive that the hunter threw away his weapon. The tiger, no longer a philanthropist, rushed at the hunter and devoured him. Then, gazing contemptuously at the remains of his victim, he murmured : ' the fool ' ! "

That was the only funeral oration of the too-sensitive hunter. Did he deserve any other ?

I woke up, and, returned to earth, read some English papers. They charitably advised France to give up the Ruhr and to renounce reparations, because they interfered with English trade. That is the advice which Mr. Lloyd George has given for some time to Allies too submissive to his imperious suggestions.

The occupation of a portion of enemy territory is, of course, a costly and disagreeable operation. It suffices to read German writings on their projects for revenge to understand how necessary it was.

For a long time France and Belgium will have no other means of preserving themselves from new invasions. It is impossible to see any other solution until the day when the barbarous ideas which still rule the nations are entirely transformed.

CHAPTER IV

FUTURE FORMS OF WAR AND THE DISARMAMENT ILLUSION

THE ever-present problem of the disarmament of Germany and of the other countries is still absorbing the attention of all the Governments. Germany is still so dangerous that no nation dares to reduce its armies, though they are all crushed beneath the weight of ruinous budgets.

Though all the peoples long for peace, invincible necessity condemns them to strengthen their arms.

Even less than the others can France think of disarming. She could not have done so unless England and America had engaged themselves, as requested by our Government, to support her in the case of any new aggression by Germany. The simple moral effect of such an alliance would have sufficed.

That project having failed, France remains almost alone in the face of a secular enemy who does not conceal his intense desire for a war of revenge.

Never, indeed, has Europe been more threatened with wars than to-day. The absurd disintegration of Austria and Turkey in small rival States creates a régime of perpetual conflict. Czecho-Slovaks, Rumanians, Poles, Hungarians, Serbs, Greeks, etc., are already in conflict or ready to engage in it.

Are the democracies who inherited the military monarchies of Germany less bellicose than the latter? The psychology of history holds out no such hope. One of the most renowned advisers of

the new President of the United States, Dr. Butler, has correctly pointed out that in ancient Greece, when the people were called upon to vote for peace or war, they always voted for war. This, according to the author, is a consequence of the laws governing the psychology of the herd, and he is prepared to add the following :

The aphorism : " The Governments force wars upon their unwilling people " does not stand a minute before actual fact. We may be sure that if, during the last week of July 1914, the people of Germany and Austria had been consulted by referendum on the question of war or peace, *they would have voted for war with a crushing majority.*

The insistence of the Allies in pressing for the disarmament of Germany, that is to say, for the destruction of their cannon and machine guns, is no doubt due to the settled conviction that Germany would become inoffensive by the destruction of its war material. That is an illusion.

With or without guns, Germany is at present, according to all military opinion, unprepared for an immediate war.

It will be quite different within a few years, even though they may not possess a single gun.

This conclusion is justified by the progress made in armaments from day to day. They point to the fundamental notion that the coming struggles of nations will be aerial struggles, in which frontiers, armies, and guns will play but a feeble part.

The results already attained by the manufacture of explosives are such that their destructive power is immense. The only things required will be commercial aeroplanes to drop bombs charged with these explosives on towns in order to destroy them. Capable of destroying everything within a radius already amounting to a hundred yards, a single bomb will destroy a street with its inhabitants.

The object of new wars will not be to attack armies, but to destroy towns with their inhabitants. These new wars, though much shorter than those of the past, will be much more murderous.

The war material of the future will have the advantage of being much less costly, because it will consist simply of commercial aeroplanes transporting explosives and incendiary bombs instead of merchandise.

In order to show the reader that the preceding views are no mere imaginings, I must insert a parenthesis.

I have already mentioned that some fifteen years ago I founded, with my friend Dastre, a professor at the Sorbonne, a weekly luncheon at which notable men of each profession expound their views on the great problems of the day.

Among our regular companions are certain illustrious generals and eminent statesmen. We have passed captivating hours listening to Generals Mangin and Maud'huy explaining to us the vicissitudes of the war; Admiral Fournier describing the evolution of the navy; and politicians like Briand and Barthou the great social questions. The various personages whom the Peace Conference brought to Paris, such as Venizelos, Take Jonescu, Benes, Bratiano, and many others also came and expounded their ideas. As chairman of the luncheon, I chose the subjects for discussion.

On the day when our eminent friends were asked to discuss the disarmament of Germany and the next war, I had received a visit from one of the great leaders of military aviation, who explained to me the leading part to be played by aviation in future conflicts. According to him, the great and expensive armies would become useless, he said, and would be replaced with advantage by a

small squadron of ten thousand specialists directing a fleet of aeroplanes.

Three generals were present that day at our luncheon so I took the opportunity of asking them to give their opinions.

While recognising the great importance of aviation, its function was disputed. General Gascouin, commanding the 1st Artillery Corps, observed that, given the large area of present day capitals, and the impossibility for the war-planes of judging the exact spot which their projectiles would hit, only a limited portion of the towns attacked would be destroyed. General Mangin remarked—and this was also the opinion of General Maud'huy—that although there was relatively little danger for the troops from war-planes on account of the mobility and the distance between the men, it would still be possible to send an army to carry out reprisals on enemy towns. Daniel Berthelot added that such murderous destructions would have a moral effect, the consequences of which could not be foreseen. Moreover, it seemed obvious to him that, in future conflicts, the attack would be greatly superior to the defence, at least in the first stages.

From German publications it is easy to form a fairly clear idea of the German conception of a future war. Their plans can be synthesised in the following way.

About the year 19.., a man is sitting reading in a café in Frankfort and meditating on the destiny of Germany. All at once the door opens and a newsboy enters shouting: "*Frankfort Gazette.*" It reports as follows:

"The day of revenge so long awaited is at hand. London and Paris are no more. Buildings and houses are destroyed, their inhabitants crushed or burned alive. A small number of survivors are wandering about the country uttering terrible cries

of despair. The news will make all German hearts flutter with joy.

"Here are a few details of the preparation of the manœuvre:

"The two thousand war-planes loaded with explosives and incendiary bombs sent over London and Paris were built in various countries, chiefly in Russia, as commercial aeroplanes. Our chemists had discovered a way of preparing explosives so that the separated ingredients were harmless and thus escaped attention.

"Having planned in perfect secrecy the destruction of London and Paris, it was necessary to think of a way of avoiding reprisals. Thanks to our Secret Service, all the aviation centres were known to us and we were able to set the enemy aerodromes on fire while the two big capitals were being destroyed.

"In order to prevent a military invasion of our territory, German troops were sent to the frontier at the same time as the fleet of destroyer planes."

The four o'clock edition of the *Frankfort Gazette* added:

"Our aeroplanes, after returning to their aerodromes to renew their store of explosives, have gone back to complete the destruction of London and Paris. A telegram, sent by wireless to all stations in France and England, announces that a large town will be destroyed every day in case our conditions of peace, which are extremely hard, are not accepted. If the British and French Governments accept them—and how can they avoid it?—we may say that the most murderous and destructive war of history has only lasted twenty-four hours."

It is impossible to say what novel weapons will be furnished by the science of to-morrow. That wars will become more and more murderous is indisputable. That Germany wishes for a war of

revenge is just as evident. She has lost her material capital, but not her mental capital, that is to say that technical capacity which was the basis of her economic power.

Germany has always been at war with her neighbours since the beginning of her history. Is it likely that a nation of sixty million people will pay a tribute to its conquerors every year for forty years?

In a recent interview, the illustrious Marshal Foch pointed out that it is always easy to make guns and aeroplanes. "The Marne," he said, "was a *tour de force* which we cannot expect to do twice. The Meuse cannot be defended. If we were not on the Rhine, I should not have passed a quiet night since the Armistice."

If the British Government had succeeded in preventing us from staying there, according to its intention vigorously expressed during the discussions of the Peace Conference, our situation would soon have become extremely dangerous. It is risky enough now.

There has been much discussion concerning the mental differences between the French of a century ago and those of to-day. There is a fundamental difference between them. A hundred years ago, we had emerged beaten from the most glorious epic of history, but the future did not threaten us. To-day, France emerges victorious from a new conflict, but its future is weighed down with such menaces that she has lost her tranquillity. This mental state is a grave hindrance.

The chief concern of statesmen should be, as we cannot repeat too often, to solve at least the problem of security, because that of reparations seems to be beyond them. To achieve success, action will be more effective than talk.

In endowing man with powers often superior to

those with which ancient paganism had gifted its gods, modern science has not added the wisdom without which these new powers become destructive. That is why civilisations based upon science are likely to perish under the action of the very forces they have liberated.

We do not know whether our civilisations will escape their threatened destruction by external wars of revenge or internal social struggles.

If they can escape the ruin which some statesmen seem to see impending, it will be because nations and their masters will have accepted, as guides of conduct, certain principles which have been expounded several times in this work, and which may be summarised as follows :

(1) The present evolution of the world has placed people in such a close relation of interdependence that damage suffered by one of them soon falls upon the others as well. They have therefore every inducement to help and support each other.

(2) The economic and psychological necessities which direct the lives of peoples behind the chaos of appearances have the rigidity of physical laws, and therefore all attempts of enthusiasts to bring about a violent transformation of society can only destroy it.

On the day when these truths, which are as yet purely intellectual, will have sunk into the group of sentiments which give rise to action, a lasting peace will be possible. Then, and not till then, will the world cease to be a hell of ruins and desolation.

Any further dissertation on the dark future which is to follow the uncertain present would be futile.

We know nothing of the days to come, but there is no risk in maintaining that in the world's coming evolution ideas will play the preponderant part which they always have played. If we know the

ideas of the men of to-morrow their fate can be foretold. But the new ideas derived from the Great War are still in course of formation.

The generation which survives a great conflict has not yet acquired a mentality which can be sharply outlined. Always concerned with realities it does not look for the true meaning of life which has been vainly sought by philosophers, but makes the best of the brief hours which fate grants to all living beings.

The political and religious theories which used to agitate the men of yesterday seem rather stale to those of to-day. But it does appear that all despotisms, whether of gods, kings, or crowds, are intolerable to them.

Whatever be the realities towards which new generations will strive, their fate, I repeat, will depend upon the ruling ideas impressed upon them, even though they be unaware of them.

Since the time when man escaped primitive animalism, the power of ideas has always dominated him. The web of history is woven of their consequences. They were the creators of the divinities adored under various names and which the people have always refused to renounce.

It is upon these ideas that the great civilisations, with their institutions, their beliefs, and their arts, have been founded. The greatness of a people depends upon its choice of an ideal.

We do not know the ideals which will rule the nations to-morrow, and therefore we are unable to read their future. It was always a formidable task for a people to change its ideas and the gods which represent them. Rome perished because it failed to solve the problem.

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